

UNITED STATES BANKRUPTCY COURT  
FOR NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

In re )  
 )  
 )  
SHOOK & FLETCHER INSULATION CO., ) Chapter 11  
 ) Case No 02-02771-BGC-11  
 )  
Debtor. )

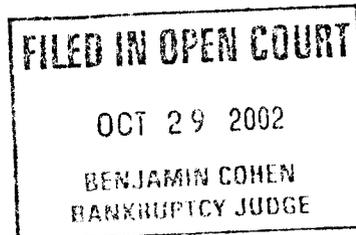
**SECOND AMENDED PLAN OF REORGANIZATION UNDER  
CHAPTER 11 OF THE BANKRUPTCY CODE OF  
SHOOK & FLETCHER INSULATION CO.**

**THIS PLAN PROVIDES, AMONG OTHER THINGS, FOR THE ISSUANCE OF INJUNCTIONS UNDER SECTION 524(g) OF THE BANKRUPTCY CODE THAT RESULT IN THE CHANNELING OF ALL ASBESTOS RELATED LIABILITIES OF SHOOK & FLETCHER INTO TRUSTS AS MORE FULLY DESCRIBED HEREIN. SEE SECTION 11.6 – “THE SUPPLEMENTAL INJUNCTION, THE THIRD PARTY INJUNCTION AND THE SETTLING ASBESTOS INSURANCE COMPANY INJUNCTION” FOR A DESCRIPTION OF SUCH INJUNCTIONS.**

Roger Frankel  
Richard H. Wyron  
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
(202) 424-7500

Richard P. Carmody  
Joe A. Joseph  
LANGE, SIMPSON, ROBINSON &  
SOMERVILLE LLP  
417 20<sup>th</sup> Street North, Suite 1700  
Birmingham, AL 35203-3217  
(205) 250-5033

Attorneys for Shook & Fletcher Insulation Co.



339 w

**TABLE OF CONTENTS**

	<u>Page</u>
<b>ARTICLE I</b>	
<b>DEFINITION OF TERMS AND RULES OF INTERPRETATION .....</b>	<b>1</b>
<b>1.1    DEFINITION OF TERMS.....</b>	<b>1</b>
<b>1.2    RULES OF INTERPRETATION.....</b>	<b>1</b>
<b>ARTICLE II</b>	
<b>TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS.....</b>	<b>1</b>
<b>2.1    ADMINISTRATIVE EXPENSE CLAIMS.....</b>	<b>1</b>
(a) General.....	1
(b) Payment of Judicial Fees.....	1
(c) Bar Date for Administrative Expense Claims.....	1
<b>2.2    PRIORITY TAX CLAIMS.....</b>	<b>2</b>
<b>ARTICLE III</b>	
<b>CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS .....</b>	<b>2</b>
<b>ARTICLE IV</b>	
<b>TREATMENT OF CLAIMS AND EQUITY INTERESTS.....</b>	<b>3</b>
<b>4.1    CLASS 1 - PRIORITY CLAIMS.....</b>	<b>3</b>
(a) Impairment and Voting.....	3
(b) Treatment.....	3
<b>4.2    CLASS 2 - SECURED CLAIM OF SOUTHTRUST BANK.....</b>	<b>3</b>
(a) Impairment and Voting.....	3
(b) Treatment.....	3
(c) Reservation of Rights.....	3
<b>4.3    CLASS 3 - SECURED CLAIM OF AMSOUTH BANK.....</b>	<b>3</b>
(a) Impairment and Voting.....	3
(b) Treatment.....	3
(c) Reservation of Rights.....	3
<b>4.4    CLASS 4 - SUPPLY SECURED CLAIM.....</b>	<b>4</b>
(a) Impairment and Voting.....	4
(b) Treatment.....	4

<b>4.5</b>	<b>CLASS 5 - SBNP ASBESTOS SECURED CLAIMS</b> .....	<b>4</b>
	(a) Impairment and Voting .....	4
	(b) Treatment.....	4
<b>4.6</b>	<b>CLASS 6 - PRESENT ASBESTOS SECURED CLAIMS</b> .....	<b>4</b>
	(a) Impairment and Voting .....	4
	(b) Treatment.....	5
<b>4.7</b>	<b>CLASS 7 - CCR SECURED CLAIM</b> .....	<b>5</b>
	(a) Impairment and Voting .....	5
	(b) Treatment.....	5
<b>4.8</b>	<b>CLASS 8 - SETTLEMENT PROFESSIONALS' SECURED CLAIMS</b> .....	<b>5</b>
	(a) Impairment and Voting .....	5
	(b) Treatment.....	5
<b>4.9</b>	<b>CLASS 9 - UNSECURED OPERATIONAL CLAIMS</b> .....	<b>5</b>
	(a) Impairment and Voting .....	5
	(b) Treatment.....	5
<b>4.10</b>	<b>CLASS 10 - ASBESTOS-RELATED UNSECURED CLAIMS</b> .....	<b>6</b>
	(a) Impairment and Voting .....	6
	(b) Treatment.....	6
<b>4.11</b>	<b>CLASS 11 - EQUITY INTERESTS</b> .....	<b>6</b>
	(a) Impairment and Voting .....	6
	(b) Treatment.....	6

**ARTICLE V**

<b>THE TRUST</b> .....	<b>6</b>
<b>5.1 ESTABLISHMENT AND PURPOSE OF TRUST</b> .....	<b>6</b>
<b>5.2 PRE-PETITION TRUST; TRANSFER FROM PRE-PETITION TRUST; RECEIPT OF TRUST ASSETS</b> .....	<b>6</b>
<b>5.3 EXCESS TRUST ASSETS</b> .....	<b>7</b>
<b>5.4 TRUST EXPENSES</b> .....	<b>7</b>

5.5	SELECTION OF THE INITIAL TRUSTEE.....	7
5.6	THE FUTURES REPRESENTATIVE. ....	7
5.7	THE TRUST ADVISORY COMMITTEE. ....	7

**ARTICLE VI**

<b>CONDITIONS AND CONFIRMATION AND EFFECTIVENESS.....</b>		<b>7</b>
6.1	CONDITIONS TO CONFIRMATION.....	7
6.2	CONDITIONS TO EFFECTIVENESS.....	9
	(a) Confirmation Order.....	9
	(b) Plan Documents.....	9
	(c) Judicial Fees.....	9
	(d) Tax Assurances.....	9
	(e) Payment by Debtor. ....	9
6.3	EFFECT OF FAILURE OF CONDITIONS.....	9
6.4	WAIVER OF CONDITIONS.....	10

**ARTICLE VII**

<b>METHOD OF DISTRIBUTIONS UNDER THE PLAN.....</b>		<b>10</b>
7.1	DISTRIBUTIONS BY REORGANIZED SHOOK & FLETCHER.....	10
	(a) General.....	10
	(b) Distributions of Cash. ....	10
	(c) Timing of Distributions.....	10
7.2	DISTRIBUTIONS BY THE TRUSTS.....	10

**ARTICLE VIII**

<b>PROCEDURES FOR THE TREATMENT OF DISPUTED CLAIMS.....</b>		<b>10</b>
8.1	DISALLOWANCE OF IMPROPERLY FILED CLAIMS.....	10
8.2	PROSECUTION OF OBJECTIONS TO CLAIMS.....	10
8.3	NO DISTRIBUTIONS PENDING ALLOWANCE. ....	11
8.4	DISTRIBUTIONS AFTER ALLOWANCE. ....	11

**ARTICLE IX**

<b>EXECUTORY CONTRACTS.....</b>	<b>11</b>
<b>9.1 ASSUMPTION OR REJECTION OF EXECUTORY CONTRACTS. ....</b>	<b>11</b>
<b>9.2 DAMAGES UPON REJECTION.....</b>	<b>11</b>
<b>9.3 CURE OF DEFAULTS.....</b>	<b>11</b>
<b>9.4 INDEMNIFICATION OBLIGATIONS.....</b>	<b>12</b>
<b>9.5 COMPENSATION AND BENEFIT PROGRAMS.....</b>	<b>12</b>
<b>9.6 RETIREE BENEFITS. ....</b>	<b>12</b>

**ARTICLE X**

<b>IMPLEMENTATION OF THE PLAN; GOVERNANCE AND MANAGEMENT OF REORGANIZED SHOOK &amp; FLETCHER .....</b>	<b>12</b>
<b>10.1 TRUST FUNDING.....</b>	<b>12</b>
<b>10.2 GENERAL.....</b>	<b>12</b>
<b>10.3 DIRECTORS AND OFFICERS OF REORGANIZED SHOOK &amp; FLETCHER. ....</b>	<b>12</b>
(a) Board of Directors. ....	12
(b) Officers. ....	13
<b>10.4 CERTIFICATE OF INCORPORATION AND BY-LAWS.....</b>	<b>13</b>
<b>10.5 CORPORATE ACTION. ....</b>	<b>13</b>

**ARTICLE XI**

<b>INJUNCTIONS, RELEASES AND DISCHARGE.....</b>	<b>13</b>
<b>11.1 TERM OF CERTAIN INJUNCTIONS AND AUTOMATIC STAY. ....</b>	<b>13</b>
<b>11.2 SETOFFS.....</b>	<b>13</b>
<b>11.3 SECTION 346 INJUNCTION.....</b>	<b>13</b>
<b>11.4 DISCHARGE AND RELEASE.....</b>	<b>13</b>
<b>11.5 DISCHARGE INJUNCTION.....</b>	<b>14</b>
<b>11.6 THE SUPPLEMENTAL INJUNCTION, THE THIRD PARTY INJUNCTION AND THE ASBESTOS INSURANCE COMPANY INJUNCTION.....</b>	<b>14</b>
(a) Supplemental Injunction. ....	14
(b) Third Party Injunction.....	15
(c) Settling Asbestos Insurance Company Injunction. ....	16

11.7	RESERVATION OF RIGHTS.....	17
11.8	RIGHTS AGAINST NON-DEBTORS UNDER ENVIRONMENTAL LAWS. ....	17
11.9	DISALLOWED CLAIMS AND DISALLOWED INTERESTS. ....	18
11.10	EXONERATION AND RELIANCE. ....	18
11.11	NO LIABILITY FOR SOLICITATION OR PARTICIPATION.....	18

**ARTICLE XII**

<b>MATTERS INCIDENT TO PLAN CONFIRMATION .....</b>	<b>18</b>
12.1 NO LIABILITY FOR TAX CLAIMS. ....	18
12.2 NO SUCCESSOR LIABILITY. ....	18
12.3 VESTING OF ASSETS.....	19
12.4 INSTITUTION AND MAINTENANCE OF LEGAL AND OTHER PROCEEDINGS.....	19
12.5 VESTING AND ENFORCEMENT OF TRUST CAUSES OF ACTION. ....	19
12.6 PRESERVATION OF INSURANCE CLAIMS. ....	19

**ARTICLE XIII**

<b>RETENTION OF JURISDICTION .....</b>	<b>19</b>
13.1 JURISDICTION.....	19
13.2 GENERAL RETENTION. ....	20
13.3 SPECIFIC PURPOSES. ....	20

**ARTICLE XIV**

<b>ENTRY OF CLOSING ORDER BY THE BANKRUPTCY COURT .....</b>	<b>21</b>
---	-----------

**ARTICLE XV**

<b>MISCELLEOUS PROVISIONS .....</b>	<b>21</b>
15.1 EXEMPTION FROM TRANSFER TAXES.....	21
15.2 COMPLIANCE WITH TAX REQUIREMENTS.....	21
15.3 EFFECTUATING DOCUMENTS AND FURTHER TRANSACTIONS.....	21
15.4 THE ASBESTOS CLAIMANTS COMMITTEE AND THE FUTURES REPRESENTATIVE.....	21
15.5 MODIFICATION OF THE PLAN.....	22
15.6 REVOCATION AND WITHDRAWAL OF THE PLAN.....	22
15.7 BINDING EFFECT.....	22

15.8	NO ADMISSION.....	22
15.9	NOTICES.....	22
15.10	GOVERNING LAW. ....	24
15.11	PLAN SUPPLEMENT.....	24
15.12	HEADINGS.....	24
15.13	EXHIBITS AND SCHEDULES.....	24
15.14	MODIFICATION OF PAYMENT TERMS.....	24
15.15	ENTIRE AGREEMENT. ....	24

## EXHIBITS

- Exhibit A      Second Amended Glossary of Terms for the Plan Documents Pursuant to the Second Amended Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code of Shook & Fletcher Insulation Co.
- Exhibit B      Trust Agreement by and between Shook & Fletcher Insulation Co. and Hasbrouck Haynes, Jr. as trustee, dated as of December 7, 2001, to be amended by an amendment substantially in the form attached hereto as *Exhibit C*.
- Exhibit C      Amendment to Trust Agreement by and among Shook & Fletcher Insulation Co., Hasbrouck Haynes, Jr., CPA, Joseph F. Rice, Esq., the Center for Claims Resolution, Inc., Hartford Financial Services Group, Inc., Gilbert Heintz & Randolph LLP and MFR Consulting Services, Inc.
- Exhibit D      Form of Trust Agreement and Annex thereto
- Exhibit E      Form of Promissory Note
- Exhibit F      Form of Pledge Agreement
- Exhibit G      Form of Escrow Agreement
- Exhibit H      Form of Amended and Restated Certificate of Incorporation of Reorganized Shook & Fletcher Insulation Co.
- Exhibit I      Compensable Disease Matrix and Medical Criteria

**SECOND AMENDED PLAN OF REORGANIZATION UNDER  
CHAPTER 11 OF THE BANKRUPTCY CODE OF  
SHOOK & FLETCHER INSULATION CO.**

Shook & Fletcher Insulation Co. hereby proposes the following plan of reorganization under Section 1121(a) of Title 11 of the United States Code:

**ARTICLE I**

**DEFINITION OF TERMS AND RULES OF INTERPRETATION**

1.1 DEFINITION OF TERMS.

All capitalized terms used herein shall have the meanings assigned to them in the Second Amended Glossary of Terms for the Plan Documents Pursuant to the Second Amended Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code of Shook & Fletcher Insulation Co., attached hereto as *Exhibit A* (as the same may be amended, modified or supplemented from time to time), and such definitions are incorporated herein by reference.

1.2 RULES OF INTERPRETATION.

Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include both the singular and the plural and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter. Unless otherwise specified, all section, article, schedule or exhibit references in the Plan are to the respective section in, article of, schedule to, or exhibit to, the Plan. The words "herein," "hereof," "hereto," "hereunder" and other words of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan. The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the construction of the Plan. All references to the "Plan" herein shall be construed, where applicable, to include references to the Plan and all its exhibits, appendices, schedules, and annexes (and any amendments thereto made in accordance with the Bankruptcy Code). The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan.

**ARTICLE II**

**TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS**

2.1 ADMINISTRATIVE EXPENSE CLAIMS.

(a) General.

Subject to the Bar Date provisions set forth below, unless otherwise agreed to by Shook & Fletcher and the holder of such Claim, each holder of an Allowed Administrative Expense Claim shall receive Cash equal to the unpaid portion of such Allowed Administrative Expense Claim on the later of (a) the Effective Date and (b) such other date as is mutually agreed upon by the Debtor (or Reorganized Shook & Fletcher) and the holder of such Claim; *provided, however*, that Administrative Expense Claims that represent liabilities either incurred by the Debtor in the ordinary course of its business during the Chapter 11 Case or arising under loans or advances to the Debtor during the Chapter 11 Case shall, to the extent not paid on or before the Effective Date, be paid by Reorganized Shook & Fletcher in the ordinary course of its business and in accordance with any terms and conditions of any agreements relating thereto.

(b) Payment of Judicial Fees.

All fees comparable to the fees payable pursuant to 28 U.S.C. § 1930, if and to the extent due, shall be paid in Cash in the full amount of such Administrative Expense Claim when due.

(c) Bar Date for Administrative Expense Claims.

(i) Bankruptcy Professionals.

All Bankruptcy Professionals requesting compensation or reimbursement of expenses pursuant to Section 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for services rendered during the Chapter 11 Case (including, without limitation, any compensation requested by any Bankruptcy Professional or any other Entity for making a substantial contribution to the Chapter 11 Case), shall file and serve on Reorganized Shook & Fletcher, the Asbestos Claimants Committee and the Bankruptcy Administrator an application for final allowance of compensation and reimbursement of expenses on or before the Bar Date for Administrative Expense Claims. The Bar Date for Administrative Expense Claims shall be the first Business Day that is at least forty-five days after the Effective Date unless a later date is otherwise approved or such time is extended by the Bankruptcy Court. Objections to timely-filed applications of Bankruptcy Professionals for compensation or reimbursement of expenses must be

filed and served on Reorganized Shook & Fletcher and the Bankruptcy Professional to whose application any objection is addressed no later than thirty days after the Bar Date for Administrative Expense Claims. Any fees and expenses incurred by Reorganized Shook & Fletcher subsequent to the Confirmation Date for services rendered by any Bankruptcy Professional or any Ordinary Course Professional or any other professionals may be paid by Reorganized Shook & Fletcher without notice to parties-in-interest or application to the Bankruptcy Court.

(ii) Ordinary Course Liabilities.

Notwithstanding Section 2.1(c)(i) hereof, holders of Administrative Expense Claims based on liabilities incurred post-petition in the ordinary course of the Debtor's business (including any Ordinary Course Professional) shall not be required to file any request for payment of such Claims or to file any Proof of Claim. The Administrative Expense Claims of such Persons, to the extent Allowed under the terms of the Plan and not paid by the Debtor, shall be paid by Reorganized Shook & Fletcher in the ordinary course of its business according to the ordinary and customary business terms and conditions of the particular transaction giving rise to such Administrative Expense Claim without the need for any further action by the holders of such Administrative Expense Claims and without prejudice to any rights, claims, counterclaims, setoffs or other rights of the Debtor and/or Reorganized Shook & Fletcher.

2.2 PRIORITY TAX CLAIMS.

Except to the extent that a holder of an Allowed Priority Tax Claim has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall, at the election of Reorganized Shook & Fletcher, either (a) be paid in Cash in full on the Effective Date or (b) with respect to a Claim of the kind specified in Section 507(a)(8) of the Bankruptcy Code, receive on account of such Claim deferred Cash payments, over a period not exceeding six years after the date of assessment of such Claim, of a value, as of the Effective Date, equal to the Allowed Amount of such Claim. To the extent that the holder of a Priority Tax Claim holds a Lien to secure its Claim under applicable non-bankruptcy law, such Lien shall not be impaired by the Plan.

**ARTICLE III**

**CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS**

All Claims (other than Administrative Expense Claims and Priority Tax Claims) and Equity Interests are classified for all purposes, including voting, confirmation and distribution pursuant to the Plan, as set forth below:

- Class 1 - Priority Claims.
- Class 2 - Secured Claim of SouthTrust Bank.
- Class 3 - Secured Claim of AmSouth Bank.
- Class 4 - Supply Secured Claim.
- Class 5 - SBNP Asbestos Secured Claims.
- Class 6 - Present Asbestos Secured Claims.
- Class 7 - CCR Secured Claim.
- Class 8 - Settlement Professionals' Secured Claims.
- Class 9 - Unsecured Operational Claims.
- Class 10 - Asbestos-Related Unsecured Claims<sup>1</sup>.
- Class 11 - Equity Interests.

Classes 5, 6, 7, 8, 10 and 11 are impaired within the meaning of Section 1124 of the Bankruptcy Code and all other Classes of Claims are unimpaired within the meaning of Section 1124 of the Bankruptcy Code.

---

<sup>1</sup>The treatment of future Demands is provided for in Class 10 as well.

## ARTICLE IV

### TREATMENT OF CLAIMS AND EQUITY INTERESTS

The Allowed Claims against, and Allowed Equity Interests in, Shook & Fletcher shall be treated, and holders thereof shall receive, as follows:

#### 4.1 CLASS 1 - PRIORITY CLAIMS.

##### (a) Impairment and Voting.

Class 1 is unimpaired by the Plan. Each holder of an Allowed Priority Claim in Class 1 is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan under Section 1126 of the Bankruptcy Code.

##### (b) Treatment.

To the extent not paid prior to the Effective Date, and except to the extent that a holder of an Allowed Priority Claim agrees to a different treatment, each Allowed Priority Claim shall either be paid in full on the Effective Date or shall be reinstated and rendered unimpaired in accordance with Section 1124 of the Bankruptcy Code. Reorganized Shook & Fletcher shall be responsible for the payment of Allowed Priority Claims.

#### 4.2 CLASS 2 - SECURED CLAIM OF SOUTHTRUST BANK.

##### (a) Impairment and Voting.

Class 2 is unimpaired by the Plan. SouthTrust Bank is the holder of an Allowed Secured Claim and is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan under Section 1126 of the Bankruptcy Code.

##### (b) Treatment.

Except to the extent that SouthTrust Bank agrees to a different treatment, and notwithstanding any contractual provisions or applicable non-bankruptcy law that entitles SouthTrust Bank to demand or receive payment of its Allowed Secured Claim prior to its stated maturity from and after the occurrence of a default, SouthTrust Bank's Allowed Secured Claim shall remain secured by its existing Collateral and either shall be paid in full with the proceeds of alternative financing or reinstated. Reorganized Shook & Fletcher shall be responsible for the payment of SouthTrust Bank's Allowed Secured Claim.

##### (c) Reservation of Rights.

Notwithstanding anything contained in the Plan (including this Section 4.2 other than the immediately preceding Section 4.2(b)), the Debtor reserves the right to seek to reduce or disallow any Claim that constitutes compound interest, penalties, default interest or any other similar amount to the extent allowed under applicable non-bankruptcy law.

#### 4.3 CLASS 3 - SECURED CLAIM OF AMSOUTH BANK.

##### (a) Impairment and Voting.

Class 3 is unimpaired by the Plan. AmSouth Bank is the holder of an Allowed Secured Claim and is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan under Section 1126 of the Bankruptcy Code.

##### (b) Treatment.

Except to the extent that AmSouth Bank agrees to a different treatment, and notwithstanding any contractual provision or applicable non-bankruptcy law that entitles AmSouth Bank to demand or receive payment of its Allowed Secured Claim prior to its stated maturity from and after the occurrence of a default, AmSouth Bank's Allowed Secured Claim shall remain secured by its existing Collateral and shall be reinstated. Reorganized Shook & Fletcher shall be responsible for the payment of AmSouth Bank's Allowed Secured Claim.

##### (c) Reservation of Rights.

Notwithstanding anything contained in the Plan (including this Section 4.3 other than the immediately preceding Section 4.3(b)), the Debtor reserves the right to seek to reduce or disallow any Claim that constitutes compound interest, penalties, default interest or any other similar amount to the extent allowed under applicable non-bankruptcy law.

4.4 CLASS 4 - SUPPLY SECURED CLAIM.

(a) Impairment and Voting.

Class 4 is unimpaired by the Plan. Shook & Fletcher Supply is the holder of the Allowed Supply Secured Claim and is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan under Section 1126 of the Bankruptcy Code.

(b) Treatment.

The Debtor and Shook & Fletcher Supply have entered into the Supply Line of Credit Agreement pursuant to which Shook & Fletcher Supply advanced funds, and has agreed to advance additional funds, to Shook & Fletcher for the primary purpose of funding expenses incurred by Shook & Fletcher in connection with the Chapter 11 Case, including costs incurred prior to the Petition Date. The Debtor has granted Shook & Fletcher Supply a Lien in (i) all of the Debtor's accounts, inventory and general intangibles (other than the Asbestos Insurance Collateral), (ii) certain vehicles of the Debtor, and (iii) Shook & Fletcher's real property in Birmingham, Alabama and Decatur, Alabama as Collateral to secure the repayment of advances made to Shook & Fletcher pursuant to the Supply Line of Credit Agreement. The Supply Secured Claim shall remain secured by its existing Collateral, shall be reinstated and shall remain subordinated to the Allowed Secured Claims of SouthTrust Bank and AmSouth Bank with respect to their respective Collateral securing each, and Shook & Fletcher Supply's Lien remains subject to the existing Liens of SouthTrust Bank and AmSouth Bank. Reorganized Shook & Fletcher shall be responsible for the payment of the Supply Secured Claim.

4.5 CLASS 5 - SBNP ASBESTOS SECURED CLAIMS.

(a) Impairment and Voting.

Class 5 is impaired by the Plan. Each holder of an Allowed SBNP Asbestos Secured Claim is entitled to vote to accept or reject the Plan under Sections 524(g) and 1126 of the Bankruptcy Code.

(b) Treatment.

As of the Effective Date, liability for all SBNP Asbestos Secured Claims shall automatically and without further act or deed be assumed in full and become payable by the Pre-Petition Trust, and Reorganized Shook & Fletcher shall have no liability therefor. Each Allowed SBNP Asbestos Secured Claim, as of the Effective Date, is payable (x) pursuant to and in accordance with the SBNP Settlement Agreement in the amount established under or determined pursuant to Section I.B.(1) of the SBNP Settlement Agreement (if the related SBNP Asbestos Claimant elects to be governed by Section I.B.(1) of the SBNP Settlement Agreement in its Adoption Agreement) or Section I.B.(2) of the SBNP Settlement Agreement (if the related SBNP Asbestos Claimant elects to be governed by Section I.B.(2) of the SBNP Settlement Agreement in its Adoption Agreement), and (y) at the time specified in the SBNP Settlement Agreement and the Pre-Petition Trust Agreement (see *Exhibit B* and *Exhibit C* attached hereto). Payments to each holder of an Allowed SBNP Asbestos Secured Claim are secured by the Asbestos Insurance Collateral as and to the extent provided in the SBNP Settlement Agreement and the Security Agreement in the following manner: (i) if an SBNP Asbestos Claimant elects to be governed under Section I.B.(1) of the SBNP Settlement Agreement, such SBNP Asbestos Claimant's Allowed Asbestos Claim shall be fully secured by the Asbestos Insurance Collateral and (ii) if an SBNP Asbestos Claimant elects to be governed under Section I.B.(2) of the SBNP Settlement Agreement, 75% of such SBNP Asbestos Claimant's Allowed Asbestos Claim shall be secured by the Asbestos Insurance Collateral.

4.6 CLASS 6 - PRESENT ASBESTOS SECURED CLAIMS.

(a) Impairment and Voting.

Class 6 is impaired by the Plan. Each holder of an Allowed Present Asbestos Secured Claim is entitled to vote to accept or reject the Plan under Sections 524(g) and 1126 of the Bankruptcy Code.

(b) Treatment.

As of the Effective Date, liability for all Present Asbestos Secured Claims shall automatically and without further act or deed be assumed in full and become payable by the Pre-Petition Trust, and Reorganized Shook & Fletcher shall have no liability therefor. Each Allowed Present Asbestos Secured Claim, as of the Effective Date, is payable pursuant to and in accordance with the Claimants Agreement and the Pre-Petition Trust Agreement in the amount established under or determined pursuant to the Claimants Agreement. Such payments are secured by the Asbestos Insurance Collateral, as and to the extent provided in the Claimants Agreement and the Security Agreement, in an amount equal to the Present Claimants Security Amount. Each holder of an Allowed Present Asbestos Secured Claim shall receive its Pro-Rata Share of the Present Claimants Security Amount up to the amount of its Allowed Present Asbestos Secured Claim when and as provided in the Pre-Petition Trust Agreement. The total number of holders of Allowed Present Asbestos Secured Claims shall not exceed 60,000 unless the Claimants' Counsel determines that having a larger number would not materially alter the compensation payable for individual holders of Allowed Present Asbestos Secured Claims.

4.7 CLASS 7 - CCR SECURED CLAIM.

(a) Impairment and Voting.

Class 7 is impaired by the Plan. The holder of the Allowed CCR Secured Claim is entitled to vote to accept or reject the Plan under Sections 524(g) and 1126 of the Bankruptcy Code.

(b) Treatment.

As of the Effective Date, liability for the CCR Secured Claim shall automatically and without further act or deed be assumed in full and become payable by the Pre-Petition Trust (or its successors), and Reorganized Shook & Fletcher shall have no liability therefor. The Allowed CCR Secured Claim, as of the Effective Date, is payable pursuant to and in accordance with the CCR Settlement Agreement and the Pre-Petition Trust Agreement in the amount and manner established under or determined pursuant to the CCR Settlement Agreement. Payments due in respect of the Allowed CCR Secured Claim are secured by the Asbestos Insurance Collateral as and to the extent provided in the CCR Settlement Agreement and the Security Agreement.

4.8 CLASS 8 - SETTLEMENT PROFESSIONALS' SECURED CLAIMS.

(a) Impairment and Voting

Class 8 is impaired by the Plan. Each holder of a Settlement Professionals' Secured Claim is entitled to vote to accept or reject the Plan under Sections 524(g) and 1126 of the Bankruptcy Code.

(b) Treatment.

As of the Effective Date, liability for all Allowed Settlement Professionals' Secured Claims shall automatically and without further act or deed be assumed and become payable by the Pre-Petition Trust, and Reorganized Shook & Fletcher shall have no liability therefor. Each Allowed Settlement Professionals' Secured Claim is payable in the amount set forth in and in accordance with and pursuant to the Pre-Petition Trust Agreement, and such payments shall be secured by the Asbestos Insurance Collateral pursuant to the Security Agreement.

4.9 CLASS 9 - UNSECURED OPERATIONAL CLAIMS.

(a) Impairment and Voting.

Class 9 is unimpaired by the Plan. Each holder of an Allowed Unsecured Operational Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan under Section 1126 of the Bankruptcy Code.

(b) Treatment.

To the extent unpaid prior to the Distribution Date and except to the extent that a holder of an Allowed Unsecured Operational Claim agrees to a different treatment, on the Distribution Date, each Allowed Unsecured Operational Claim shall either be paid in full (including any interest due and owing on account of such Claim) in Cash, in full satisfaction, settlement, release, extinguishment and discharge of such Claim or paid in full in the ordinary course of Reorganized Shook & Fletcher's business. Reorganized Shook & Fletcher shall be responsible for the payment of all Allowed Unsecured Operational Claims.

4.10 CLASS 10 - ASBESTOS-RELATED UNSECURED CLAIMS.

(a) Impairment and Voting.

Class 10 is impaired by the Plan. Each holder of an Allowed Asbestos-Related Unsecured Claim is entitled to vote to accept or reject the Plan under Sections 524(g) and 1126 of the Bankruptcy Code.

(b) Treatment.

As of the Effective Date, liability for all Asbestos-Related Unsecured Claims as well as liability for all future Demands shall automatically and without further act or deed be assumed and become payable by the Trust, and Reorganized Shook & Fletcher shall have no liability therefor. CRP Valued Asbestos Claims and future Demands will be liquidated in accordance with the CRP. Each Allowed Asbestos-Related Unsecured Claim and each future Demand shall be payable as and to the extent provided in the Trust Agreement (see *Exhibit D* attached hereto) and the CRP.

4.11 CLASS 11 - EQUITY INTERESTS.

(a) Impairment and Voting.

Class 11 is impaired by the Plan. Each holder of an Equity Interest is entitled to vote to accept or reject the Plan under Section 1126 of the Bankruptcy Code.

(b) Treatment.

Each holder of an Equity Interest shall retain his Equity Interest to the extent provided in the Escrow Agreement and the Pledge Agreement. Pursuant to Section 524(g) of the Bankruptcy Code and to secure Reorganized Shook & Fletcher's performance under the Promissory Note (see *Exhibit E* attached hereto), the Equity Interests will be pledged to the Trust pursuant to the Pledge Agreement (see *Exhibit F* attached hereto) and held by an independent Escrow Agent subject to the Escrow Agreement (see *Exhibit G* attached hereto). All voting and dividend rights with respect to the Equity Interests will remain with the existing holders thereof until an Event of Default with respect to the Promissory Note has occurred and is continuing and the Equity Interests have been transferred from the Escrow Agent to the Trust in accordance with the terms of the Escrow Agreement.

**ARTICLE V**

**THE TRUST**

5.1 ESTABLISHMENT AND PURPOSE OF TRUST.

On the Effective Date, the Trust shall be established in accordance with the Plan Documents. The Trust shall be a "qualified settlement fund" within the meaning of Section 468B of the IRC and the Treasury regulations issued pursuant thereto. The purpose of the Trust is to assume all liabilities (whether now existing or arising at any time hereafter) arising from or relating to all Asbestos-Related Unsecured Claims and certain other liabilities as provided in the Trust Agreement, and to use the Trust Assets to pay holders of Asbestos-Related Unsecured Claims in accordance with the Trust Agreement and the CRP and in such a way that all holders of similar Asbestos-Related Unsecured Claims are treated in a substantially equivalent manner and to otherwise comply in all respects with the requirements of a trust set forth in Section 524(g)(2)(B)(i) of the Bankruptcy Code. All Asbestos-Related Unsecured Claims shall be paid in accordance with the Trust Agreement and the CRP. All CRP Valued Asbestos Claims, including the future Asbestos Claims and Demands of Asbestos Claimants that are presently unknown, shall be determined and liquidated, if Allowed, pursuant to the Trust Agreement and the CRP. The CRP shall be established and implemented by the Trust as provided in the Trust Agreement.

5.2 PRE-PETITION TRUST; TRANSFER FROM PRE-PETITION TRUST; RECEIPT OF TRUST ASSETS.

On the Effective Date, the Pre-Petition Trust established pursuant to the Pre-Petition Trust Agreement shall become solely responsible for the payment of all Asbestos-Related Secured Claims. All Asbestos-Related Secured Claims shall be paid in accordance with the Pre-Petition Trust Agreement from the proceeds of the Asbestos Insurance Collateral. The Pre-Petition Trust shall be a "qualified settlement fund" within the meaning of Section 468B of the IRC and the Treasury regulations issued pursuant thereto.

Upon the payment in full of all Asbestos-Related Secured Claims (other than the CCR Secured Claim) by or on behalf of the Pre-Petition Trust, Provision For CCR, and payment of or provision for all then accrued and unpaid Trust Expenses of the Pre-Petition Trust, the Pre-Petition Trust shall transfer all of its right, title and interest in and to the properties and assets then held by the Pre-Petition Trust (including assets that constituted Asbestos Insurance Collateral) to the Trust, and all of such properties and assets shall be vested in the Trust, and the Trust shall assume such properties and assets, whereupon the Pre-Petition Trust shall terminate.

On the Effective Date, Reorganized Shook & Fletcher shall pay \$3,300,000 to the Trust as follows: \$300,000 in Cash shall be paid to the Trust, and the Promissory Note, having an original principal amount of \$3,000,000, shall be issued to the Trust. In addition, on the Effective Date, all other Trust Assets shall be transferred to, vested in, and assumed by the Trust without any further action by Shook & Fletcher, Reorganized Shook & Fletcher, the Pre-Petition Trust or Pre-Petition Trustee, the Trust or Trustee, or the Bankruptcy Court. Notwithstanding the foregoing, to the extent that certain Trust Assets, because of their nature or because they will accrue subsequent to the Effective Date (whether due to the termination of the Pre-Petition Trust or otherwise), cannot be transferred to, vested in, and assumed by the Trust on the Effective Date, such Trust Assets or the proceeds thereof shall be transferred to, vested in, and assumed by the Trust as soon as practicable after the Effective Date without any further action by Shook & Fletcher, Reorganized Shook & Fletcher, the Pre-Petition Trust or Pre-Petition Trustee, the Trust or Trustee, or the Bankruptcy Court. Upon transfer to the Trust of the Collateral Account (if the Collateral Account is established under the CCR Settlement Agreement), the Trust shall assume the obligation to make payments to CCR therefrom in accordance with the CCR Settlement Agreement.

#### 5.3 EXCESS TRUST ASSETS.

On the Trust Termination Date, after the payment of all the Trust's liabilities and all Demands have been provided for and the liquidation of all properties and other non-cash Trust Assets then held by the Trust, all monies remaining in the Trust estate shall be given to such organization(s) exempt from federal income tax under section 501(c)(3) of the IRC, which tax-exempt organization(s) shall be selected by the Trustee using his or her reasonable discretion; *provided, however*, that (i) if practicable, the tax-exempt organization(s) shall be related to the treatment of, research on, or the relief of suffering of individuals with asbestos-related disorders, and (ii) the tax-exempt organization(s) shall not bear any relationship to Reorganized Shook & Fletcher within the meaning of section 468B(d)(3) of the IRC.

#### 5.4 TRUST EXPENSES.

Each of the Trusts shall pay all of its respective Trust Expenses from its respective assets. Neither the Debtor nor Reorganized Shook & Fletcher shall have any obligation to pay any Trust Expenses.

#### 5.5 SELECTION OF THE INITIAL TRUSTEE.

The initial Trustee of the Trust shall be identified by the Debtor, with the consent of the Asbestos Claimants Committee and the Futures Representative, prior to or at the Confirmation Hearing. Any successor Trustee shall be appointed in accordance with the terms of the Trust Agreement. For purposes of the Trustee performing his or her duties and fulfilling his or her obligations under the Trust Agreement and the Plan, the Trust and the Trustee shall be deemed to be a "party in interest" within the meaning of Section 1109(b) of the Bankruptcy Code.

#### 5.6 THE FUTURES REPRESENTATIVE.

Prior to the Effective Date, the Futures Representative shall have such rights and duties as are specified in the Plan or an order of the Bankruptcy Court. On and after the Effective Date, the Futures Representative shall serve as the Futures Representative pursuant to Article 5 of the Trust Agreement, and shall have the functions and rights provided in the Trust Documents.

#### 5.7 THE TRUST ADVISORY COMMITTEE.

The Trust Advisory Committee shall have the functions and rights provided in the Trust Agreement. The TAC shall consist of three (3) members. The initial members of the TAC shall be identified by the Debtor with the consent of the Asbestos Claimants Committee and the Futures Representative prior to or at the Confirmation Hearing.

### ARTICLE VI

#### CONDITIONS AND CONFIRMATION AND EFFECTIVENESS

##### 6.1 CONDITIONS TO CONFIRMATION.

Confirmation of the Plan shall not occur unless each of the following conditions has been satisfied or waived, in writing, by the Debtor, the Asbestos Claimants Committee, and the Futures Representative. These conditions to confirmation, which are designed, among other things, to ensure that the Injunctions, releases, and discharges set forth in Article XI hereof shall be effective, binding and enforceable, are as follows:

(a) The Bankruptcy Court shall have approved the Disclosure Statement as having contained adequate information and the solicitation of votes thereunder as having been in compliance with Section 1126(b) of the Bankruptcy Code.

(b) The Bankruptcy Court shall have made findings and determinations, among others, in substantially the following form:

(i) The Supplemental Injunction, the Third Party Injunction and the Settling Asbestos Insurance Company Injunction are to be implemented in connection with the Trusts;

(ii) As of the Petition Date, the Debtor has been named as a defendant in personal injury, wrongful death or property damage actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products;

(iii) The Pre-Petition Trust shall assume the liabilities of the Debtor with respect to the Asbestos-Related Secured Claims and the Trust shall assume the liabilities of the Debtor with respect to all other Asbestos Claims on the Effective Date;

(iv) the Pre-Petition Trust shall transfer all of its right, title and interest in and to its properties and assets to the Trust upon the payment in full of all Asbestos-Related Secured Claims (other than the CCR Secured Claim), Provision For CCR, and payment of or provision for all then accrued and unpaid Trust Expenses of the Pre-Petition Trust;

(v) The Trust is to be funded in part by the payment of \$300,000 in Cash by Reorganized Shook & Fletcher on the Effective Date, by the Promissory Note to be issued by Reorganized Shook & Fletcher and Shook & Fletcher Supply on the Effective Date, and by the obligations of Reorganized Shook & Fletcher to make future payments in respect of the Promissory Note;

(vi) The Common Stock of Reorganized Shook & Fletcher shall be pledged to the Trust pursuant to the Pledge Agreement and shall be held by an independent Escrow Agent subject to the Escrow Agreement;

(vii) The Trust is to use its assets and income to pay Asbestos Claims including all future Asbestos Claims and Demands;

(viii) The Pre-Petition Trust is to use its assets and income (including the proceeds of the Asbestos Insurance Collateral) to pay Asbestos-Related Secured Claims;

(ix) The Pre-Petition Trust and/or the Trust are to be funded in part by proceeds received pursuant to the terms of the Asbestos Insurance Settlement Agreements;

(x) The Debtor is likely to be subject to substantial future Demands for payment arising out of the same or similar conduct or events that gave rise to the existing Asbestos Claims which are addressed by the Supplemental Injunction and the Third Party Injunction;

(xi) The actual amounts, numbers and timing of future Demands cannot be determined;

(xii) Pursuit of Demands outside the procedures prescribed by the Plan is likely to threaten the Plan's purpose to deal equitably with Claims and future Demands;

(xiii) The terms of the Supplemental Injunction and the Third Party Injunction, including any provisions barring actions against third parties, are set forth in the Plan and described in the Disclosure Statement;

(xiv) Pursuant to Bankruptcy Court or District Court orders and the Trust Documents, the Trust shall operate through mechanisms such as structured, periodic or supplemental payments, pro rata distributions, matrices or periodic review of estimates of the numbers and values of Present Asbestos Claims and future Demands, or other comparable mechanisms, that provide reasonable assurance that the Trust shall value, and be in a financial position to pay, similar Present Asbestos Unsecured Claims and CRP Valued Asbestos Claims in substantially the same manner;

(xv) The Futures Representative was appointed by the Bankruptcy Court for the purpose of, among other things, protecting the rights of persons that might subsequently assert Demands of the kind that are addressed in the Supplemental Injunction and the Third Party Injunction and transferred to the Trust;

(xvi) Either:

(A) Hartford shall be entitled to the benefit of the Third Party Injunction as a Protected Party and the Supplemental Injunction as a Released Party; or

(B) the Bankruptcy Court shall have approved the assumption by Reorganized Shook & Fletcher of the Hartford Agreement; and

(xvii) The Plan otherwise complies with Section 524(g) of the Bankruptcy Code.

(c) Confirmation Order.

The Bankruptcy Court shall have made such findings and determinations regarding the Plan as shall enable the entry of the Confirmation Order, and any other order entered in conjunction therewith, in form and substance reasonably acceptable to the Debtor, the Asbestos Claimants Committee and the Futures Representative, including that the Confirmation Order provides that (i) in light of the benefits provided, or to be provided, to the Trusts on behalf of each Released Party and each Protected party, the Supplemental Injunction is fair and equitable with respect to the Persons that might subsequently assert Demands against any Released Party or Protected Party; and (ii) in light of the benefits provided, or to be provided, to the Trusts on behalf of each Protected party, the Third Party Injunction is fair and equitable with respect to the Persons that might subsequently assert Demands against any Protected Party.

6.2 CONDITIONS TO EFFECTIVENESS.

Notwithstanding any other provision of the Plan or the Confirmation Order, the Effective Date of the Plan shall not occur unless and until each of the following conditions has been satisfied or, if applicable, waived:

(a) Confirmation Order.

The Confirmation Order shall have been issued by the Bankruptcy Court and issued or affirmed by the District Court as required by Section 524(g) of the Bankruptcy Code, and the Confirmation Order shall have become a Final Order; *provided, however*, that the Effective Date may occur at a point in time when the Confirmation Order is not a Final Order at the option of the Debtor and the Asbestos Claimants Committee unless the effectiveness of the Confirmation Order has been stayed or vacated, in which case the Effective Date may be, again at the option of the Debtor and the Asbestos Claimants Committee, the first Business Day immediately following the expiration or other termination of any stay of effectiveness of the Confirmation Order.

(b) Plan Documents.

The Plan Documents necessary or appropriate to implement the Plan shall have been executed, delivered and, where applicable, filed with the appropriate Governmental Unit; *provided, however*, that the conditions set forth in this Section 6.2(b) may be waived pursuant to Section 6.4 with the consent of the Futures Representative.

(c) Judicial Fees.

All fees comparable to the fees payable pursuant to 28 U.S.C. § 1930 if and to the extent assessed against the Bankruptcy Estate of the Debtor shall have been paid in full.

(d) Tax Assurances.

The Debtor shall have obtained either (i) a private letter ruling establishing that each of the Trusts is a "qualified settlement fund" pursuant to Section 468(B) of the IRC and the Treasury regulations issued pursuant thereto, or (ii) other decisions, opinions or assurances regarding certain tax consequences of the Plan, deemed satisfactory by the Debtor, Reorganized Shook & Fletcher, the Asbestos Claimants Committee and the Futures Representative.

(e) Payment by Debtor.

The Debtor shall pay \$300,000 in Cash to the Trust; *provided, however*, that the condition set forth in this Section 6.2(e) may be waived pursuant to Section 6.4 with the consent of the Futures Representative.

6.3 EFFECT OF FAILURE OF CONDITIONS.

In the event that one or more of the conditions specified in Section 6.2 of the Plan have not occurred or been duly waived by the Debtor, the Asbestos Claimants Committee and, if required pursuant to Section 6.2, the Futures Representative before 120 days after the Confirmation Date, upon notification submitted by the Debtor to the Bankruptcy Court and the Asbestos Claimants Committee, (a) the Confirmation Order shall be vacated, (b) no distributions under the Plan shall be made, (c) Debtor and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Order had never been entered and the Confirmation Date never occurred and (d) the Debtor's obligations with respect to all of the Claims and Equity Interests shall remain unchanged, and nothing contained herein shall constitute or be deemed a waiver or release of any Claims or Equity Interests by or against the Debtor or any other Person or to prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor.

6.4 WAIVER OF CONDITIONS.

Notwithstanding anything contained in Section 6.2 or 6.3 hereof, the Debtor, together with the Asbestos Claimants Committee and, if required pursuant to Section 6.2, the Futures Representative may waive, by a writing signed by an authorized representative of the Debtor, the Asbestos Claimants Committee and, if required pursuant to Section 6.2, the Futures Representative, and subsequently filed with the Bankruptcy Court, one or more of the conditions precedent to effectiveness of the Plan set forth in Section 6.2.

**ARTICLE VII**

**METHOD OF DISTRIBUTIONS UNDER THE PLAN**

7.1 DISTRIBUTIONS BY REORGANIZED SHOOK & FLETCHER.

(a) General.

Reorganized Shook & Fletcher shall make all distributions on account of all Allowed Claims (other than Allowed Asbestos Claims) to the holders of such Allowed Claims as of the Distribution Date at any of the following addresses: (a) the address set forth on the Proof of Claim filed by such holder; or (b) if no Proof of Claim has been filed, at the address reflected in the list of Creditors filed with the Bankruptcy Court or in the Schedules, if Schedules are filed.

(b) Distributions of Cash.

At the option of Reorganized Shook & Fletcher, any payment or distribution of Cash made by Reorganized Shook & Fletcher pursuant to the Plan shall be made by check or by wire transfer.

(c) Timing of Distributions.

Unless otherwise provided for in the Plan, any payment or distribution required to be made by Reorganized Shook & Fletcher shall be made on the Distribution Date.

7.2 DISTRIBUTIONS BY THE TRUSTS.

(a) Distributions to holders of Allowed Asbestos-Related Secured Claims shall be made by the Pre-Petition Trust in accordance with the Pre-Petition Trust Agreement and such other applicable agreements, documents or instruments relating thereto that are not inconsistent with the terms of the Pre-Petition Trust Agreement. Except as otherwise provided in the second sentence of Section 13.2 or in Section 13.3(p), the Bankruptcy Court shall have no jurisdiction over Claims against the Pre-Petition Trust or payments from the Pre-Petition Trust.

(b) Distributions to holders of Allowed Asbestos Claims (other than Allowed Asbestos-Related Secured Claims payable and paid by the Pre-Petition Trust) shall be made by the Trust in accordance with the Trust Agreement, the CRP and such other applicable agreements, documents or instruments relating thereto that are not inconsistent with the terms of the Trust Documents.

**ARTICLE VIII**

**PROCEDURES FOR THE TREATMENT OF DISPUTED CLAIMS**

8.1 DISALLOWANCE OF IMPROPERLY FILED CLAIMS.

Subject to Section 502(j) of the Bankruptcy Code and Bankruptcy Rules 3008 and 9006, any Administrative Expense Claim or Claim for which the filing of a Proof of Claim or motion with the Bankruptcy Court is required under the terms of the Bankruptcy Code, the Bankruptcy Rules, any order of the Bankruptcy Court (including one providing a Bar Date) or the Plan shall be disallowed if and to the extent that such Proof of Claim (or other filing) is not timely and properly made.

8.2 PROSECUTION OF OBJECTIONS TO CLAIMS.

Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Debtor or Reorganized Shook & Fletcher, as the case may be, shall have the exclusive right to make and file objections to Proofs of Claims, other than Proofs of Claims in respect of Asbestos Claims, at any time on or before sixty days after the later of (i) the Effective Date or (ii) the date on which such Claim was filed with the Bankruptcy Court unless no Proof of Claim is required to be filed pursuant to Bankruptcy Rule 3002, the Plan or any order of the Bankruptcy Court; *provided, however*, that (x) this deadline may be extended by the Bankruptcy Court on motion by the Debtor or Reorganized Shook & Fletcher, as applicable, and (y) neither the Debtor, Reorganized Shook & Fletcher nor any other Person may file an objection to any (1) a Claim that was Allowed by a Final Order entered during the Chapter 11 Case, or (2) a Claim Allowed by the Plan. In addition, unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Debtor or Reorganized Shook & Fletcher, as the case may be, subject to Section 2.1(c)(i) of the Plan, shall have the

exclusive right to make and file objections to Administrative Expense Claims and to amend the Schedules or to object to any Claim specified on the Schedules, at any time on or before sixty days after the later of (i) the Effective Date or (ii) the date on which such Claim was filed with the Bankruptcy Court unless no Proof of Claim is required to be filed pursuant to Bankruptcy Rule 3002, the Plan or any order of the Bankruptcy Court; *provided, however*, that (x) this deadline may be extended by the Bankruptcy Court on motion by the Debtor or Reorganized Shook & Fletcher, as applicable, and (y) neither the Debtor, Reorganized Shook & Fletcher nor any other Person may file an objection to any (1) a Claim that was Allowed by a Final Order entered during the Chapter 11 Case, or (2) a Claim Allowed by the Plan. After the Effective Date, only the Trust shall have authority to file objections to Asbestos Claims and litigate to judgment, settle, or withdraw such objections and each Allowed Asbestos Claim, whether or not a Proof of Claim was filed with the Bankruptcy Court, shall be satisfied exclusively in accordance with the Trust Documents or the Pre-Petition Trust Agreement, as applicable.

8.3 NO DISTRIBUTIONS PENDING ALLOWANCE.

Notwithstanding any other provision hereof, if a Claim or any portion of a Claim is Disputed, no payment or distribution shall be made on account of the Disputed portion of such Claim (or the entire Claim, if the entire Claim is Disputed), unless and until such Disputed Claim becomes an Allowed Claim.

8.4 DISTRIBUTIONS AFTER ALLOWANCE.

Payments and distributions to each holder of a Claim that is Disputed, or that is not Allowed, to the extent that such Claim ultimately becomes Allowed, shall be made in accordance with the provisions hereof governing the Class of Claims in which such Claim is classified. As soon as practicable after the date that the order or judgment of the Bankruptcy Court Allowing any Disputed Claim (other than a Disputed Asbestos Claim) becomes a Final Order, Reorganized Shook & Fletcher shall distribute to the holder of such Claim any payment or property that would have been distributed to such holder if the Claim had been Allowed as of the Effective Date (or such other date on which such distribution would have been made), without any interest on such payment or property. As soon as practicable after the date that the order or judgment of the Bankruptcy Court Allowing any Disputed Asbestos Claim (other than a Disputed Asbestos-Related Secured Claim) becomes a Final Order or a Disputed CRP Valued Asbestos Claim is Allowed pursuant to the CRP, the Trust shall distribute to the holder of such Claim any payment or property that would have been distributed to such holder if the Claim had been Allowed as of the Effective Date (or such other date on which such distribution would have been made), without any interest on such payment or property.

**ARTICLE IX**

**EXECUTORY CONTRACTS**

9.1 ASSUMPTION OR REJECTION OF EXECUTORY CONTRACTS.

Except as otherwise provided in the Plan Documents, any Executory Contract that has not been expressly rejected by the Debtor with the Bankruptcy Court's approval on or prior to the Confirmation Date shall, as of the Confirmation Date (subject to the occurrence of the Effective Date), be deemed to have been assumed by the Debtor unless there is pending before the Bankruptcy Court on the Confirmation Date a motion to reject such Executory Contract. Notwithstanding the foregoing, neither the Debtor nor Reorganized Shook & Fletcher (on behalf of either of the Trusts) shall enter into any Asbestos Insurance Settlement Agreement without the approval of the Asbestos Claimants Committee and the Futures Representative or, after the Effective Date, the Trustee, the Futures Representative and the TAC.

9.2 DAMAGES UPON REJECTION.

The Bankruptcy Court shall determine the dollar amount, if any, of the Claim of any Entity seeking damages by reason of the rejection of any Executory Contract; *provided, however*, that such Entity must file a Proof of Claim with the Bankruptcy Court within thirty days after the entry of the order rejecting such Executory Contract. To the extent any such Claim is Allowed by the Bankruptcy Court by Final Order, such Claim shall become, and shall be treated for all purposes under the Plan as, a Class 9 Unsecured Operational Claim, unless the Claim is an Asbestos Claim, in which case such Claim shall be treated as a Class 10 Claim, and the holder thereof shall receive distributions as a holder of an Allowed Claim in such Class pursuant to the Plan.

9.3 CURE OF DEFAULTS.

Except as may otherwise be agreed to by the parties to a specified Executory Contract, on the Effective Date, Reorganized Shook & Fletcher (or its assignee) shall cure any and all undisputed defaults under each Executory Contract assumed pursuant to the Plan in accordance with Section 365(b)(1) of the Bankruptcy Code. All disputed defaults with respect to an Executory Contract that are required to be cured shall be cured either within thirty (30) days of the entry of a Final Order determining the amount, if any, of the Debtor's or Reorganized Shook & Fletcher's liability with respect thereto, or as may otherwise be agreed to by the parties to such Executory Contract. Notwithstanding the foregoing, the Trust, and not Reorganized Shook & Fletcher, shall cure defaults under assumed Executory Contracts which would have resulted in Asbestos-Related Unsecured Claims if rejected, and the Pre-Petition Trust, and not Reorganized Shook & Fletcher, shall cure defaults under assumed Executory Contracts which would have resulted in Asbestos-Related Secured Claims if rejected.

9.4 INDEMNIFICATION OBLIGATIONS.

For purposes of the Plan, the obligations of the Debtor (or Reorganized Shook & Fletcher) to defend, indemnify, reimburse or limit the liability of any current and former directors or officers (in their capacity as such) who were directors or officers, respectively, before, on or after the Petition Date against any claims or obligations pursuant to the Debtor's certificate of incorporation or by-laws, applicable state law or any specific agreement, or any combination of the foregoing, shall survive confirmation of the Plan, remain unaffected thereby, and not be discharged irrespective of whether indemnification, defense, reimbursement or limitation is owed in connection with an event occurring before, on or after the Confirmation Date. Notwithstanding the foregoing, no director or officer of the Debtor or Reorganized Shook & Fletcher shall be entitled to assert any Asbestos Claim against the Debtor or Reorganized Shook & Fletcher.

9.5 COMPENSATION AND BENEFIT PROGRAMS.

Unless otherwise modified, terminated or rejected on or before the Effective Date, all employment and severance practices and policies, and all compensation and benefit plans, policies, and programs of the Debtor applicable to its directors, officers or employees, including, without limitation, all savings plan, retirement plans, health care plans, severance benefit plans, incentive plans, workers' compensation programs and life, disability and other insurance plans shall be deemed to be Executory Contracts under the Plan and (i) all defaults, if any, thereunder are hereby cured and (ii) all such Executory Contracts are hereby assumed pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code and assigned to Reorganized Shook & Fletcher. Notwithstanding the foregoing, no employee of the Debtor or Reorganized Shook & Fletcher shall be entitled to assert any Asbestos Claim against the Debtor or Reorganized Shook & Fletcher.

9.6 RETIREE BENEFITS.

Notwithstanding any other provisions of the Plan (other than the last sentence of this Section 9.6), any payments that are due to any individual for the purpose of providing or reimbursing payments for retired employees and their spouses and dependents for medical, surgical, or hospital care benefits, or benefits in the event of sickness, accident, disability, or death under any plan, fund, or program (through the purchase of insurance or otherwise) maintained or established in whole or in part by the Debtor prior to the Petition Date shall be continued for the duration of the period the Debtor has obligated itself to provide such benefits. Notwithstanding the foregoing, no employee or retired employee (nor their spouses or dependents) of the Debtor or Reorganized Shook & Fletcher shall be entitled to assert any Asbestos Claim against the Debtor or Reorganized Shook & Fletcher.

**ARTICLE X**

**IMPLEMENTATION OF THE PLAN; GOVERNANCE AND MANAGEMENT OF REORGANIZED SHOOK & FLETCHER**

10.1 TRUST FUNDING.

On the Effective Date, or as soon as practicable thereafter, in consideration of the Trust's assumption of all Asbestos Claims and liabilities related thereto, in each case as and when provided in the Trust Agreement, the Trust shall be funded with the Trust Assets, and all of such Trust Assets shall be vested in the Trust, in each case as and when provided in the Plan Documents.

10.2 GENERAL.

On the Confirmation Date, the management, control and operation of Reorganized Shook & Fletcher shall become the responsibility of the Board of Directors of Reorganized Shook & Fletcher, who shall, thereafter, have the responsibility for the management, control and operation of Reorganized Shook & Fletcher.

10.3 DIRECTORS AND OFFICERS OF REORGANIZED SHOOK & FLETCHER.

(a) Board of Directors.

The board of directors of Shook & Fletcher immediately prior to the Confirmation Date shall serve as the initial Board of Directors of Reorganized Shook & Fletcher on and after the Confirmation Date. Each of the members of such initial Board of Directors shall serve until the first annual meeting of shareholders of Reorganized Shook & Fletcher or his or her earlier resignation or removal in accordance with the Certificate of Incorporation and By-Laws.

(b) Officers.

The officers of Shook & Fletcher immediately prior to the Confirmation Date shall serve as the initial officers of Reorganized Shook & Fletcher on and after the Confirmation Date. Such officers shall serve in accordance with any applicable employment agreement with Reorganized Shook & Fletcher, the By-Laws and applicable nonbankruptcy law.

10.4 CERTIFICATE OF INCORPORATION AND BY-LAWS.

The Certificate of Incorporation of Reorganized Shook & Fletcher shall, as of the Effective Date, be amended in its entirety to read substantially in the form set forth in *Exhibit H* hereto and, consistent with Section 1123(a)(6) of the Bankruptcy Code, shall, among other things, prohibit the issuance of non-voting equity securities. The by-laws of Shook & Fletcher in effect on the Effective Date shall be the By-Laws of Reorganized Shook & Fletcher.

10.5 CORPORATE ACTION.

All matters provided for under the Plan involving the corporate structure of the Debtor or Reorganized Shook & Fletcher, or any corporate action to be taken by, or required of the Debtor or Reorganized Shook & Fletcher, shall be deemed to have occurred and be effective as provided herein, and shall be authorized and approved in all respects without any requirement for further action by the stockholders or directors of any of such entities.

## ARTICLE XI

### INJUNCTIONS, RELEASES AND DISCHARGE

11.1 TERM OF CERTAIN INJUNCTIONS AND AUTOMATIC STAY.

(a) All of the injunctions and/or automatic stays provided for in or in connection with the Chapter 11 Case, whether pursuant to Section 105, Section 362 or any other provision of the Bankruptcy Code or other applicable law, in existence immediately prior to the Confirmation Date shall remain in full force and effect until the Injunctions become effective, and thereafter if so provided by the Plan, the Confirmation Order, or by their own terms. In addition, on and after the Confirmation Date, the Debtor may seek such further orders as it may deem necessary to preserve the *status quo* during the time between the Confirmation Date and the Effective Date.

(b) Each of the Injunctions shall become effective on the Effective Date and shall continue in effect at all times thereafter. Notwithstanding anything to the contrary contained in the Plan, all actions in the nature of those to be enjoined by the Injunctions shall be enjoined during the period between the Confirmation Date and the Effective Date.

11.2 SETOFFS.

Subject to the limitations provided in Section 553 of the Bankruptcy Code, the Debtor, or the Trusts, as applicable, may, but shall not be required to, setoff against any Claim and the payments or distributions to be made pursuant to the Plan in respect of such Claim, any claims, rights, Causes of Action and liabilities of any nature that the Debtor or the Trusts may hold against the holder of such Claim; *provided, however* that neither the failure to effect such a setoff nor the Allowance of any Claim hereunder shall constitute a waiver or release by the Debtor or the Trusts of any of such claims, rights, Causes of Action and liabilities that the Debtor or the Trusts has or may have against the holder.

11.3 SECTION 346 INJUNCTION.

In accordance with Section 346 of the Bankruptcy Code, for purposes of any state or local law imposing a tax, income will not be realized by the Bankruptcy Estate, the Debtor or Reorganized Shook & Fletcher by reason of the forgiveness or discharge of indebtedness resulting from the consummation of the Plan. As a result, each state or local taxing authority is permanently enjoined and restrained, after the Confirmation Date, from commencing, continuing, or taking any act to impose, collect or recover in any manner any tax against the Debtor or the Reorganized Shook & Fletcher arising by reason of the forgiveness or discharge of indebtedness under this Plan.

11.4 DISCHARGE AND RELEASE.

(a) Except as specifically provided in the Plan or in the Confirmation Order, effective on the Effective Date, the Debtor and Reorganized Shook & Fletcher shall be discharged from any and all Claims and Demands, including any Claim of a kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code and any Asbestos Claim, whether or not (i) a Proof of Claim based on such Claim was filed or deemed filed under Section 501 of the Bankruptcy Code, or such Claim was listed on the Schedules of the Debtor, (ii) such Claim is or was Allowed under Section 502 of the Bankruptcy Code, or (iii) the holder of such Claim has voted on or accepted the Plan. Except as specifically provided in the Plan to the contrary, the rights that are provided in the Plan shall be in complete (x) satisfaction, discharge and release of all Claims or Demands against, Liens on, and equity interests in the Debtor, Reorganized Shook & Fletcher, or the Pre-Petition Trust or the Trust or the assets and properties of the Debtor, Reorganized Shook & Fletcher, or the Pre-Petition Trust or the Trust, (y) satisfaction, discharge and release of all Claims constituting Released

Claims, including, but not limited to, all Causes of Action, whether known or unknown, either directly or derivatively through the Debtor or Reorganized Shook & Fletcher against the Released Parties on the same subject matter as any of the Claims, Liens, or Equity Interests described in subpart (x) of this Article 11.4, and (z) satisfaction, discharge and release of all Causes of Action of the Debtor or Reorganized Shook & Fletcher, whether known or unknown, including but not limited to all Claims including the Released Claims, against the Released Parties. Further, but in no way limiting the generality of the foregoing, except as otherwise specifically provided in the Plan, any Entity accepting any distributions or rights pursuant to the Plan shall be presumed conclusively to discharge Reorganized Shook & Fletcher and have released the Released Parties from (a) the Released Claims and (b) any other Cause of Action based on the same subject matter as the Claim or Equity Interest on which the distribution or right is received.

(b) Except as specifically provided in the Plan or in the Confirmation Order, effective on the Effective Date, the Debtor and Reorganized Shook & Fletcher shall satisfy, discharge and release all of their Claims against, Liens on, and Causes of Action, whether known or unknown, either directly or derivatively through the Debtor or Reorganized Shook & Fletcher, including but not limited to the Released Claims, against any of the Released Parties.

(c) Notwithstanding anything to the contrary in this Article 11.4, however, the Plan shall not satisfy, discharge or release any Claim or Demand of the Debtor, Reorganized Shook & Fletcher, the Pre-Petition Trust, the Trust, or any Asbestos Claimant against any Asbestos Insurance Company that is not a Settling Asbestos Insurance Company.

#### 11.5 DISCHARGE INJUNCTION.

Except as specifically provided in the Plan Documents to the contrary, upon entry of the Confirmation Order, this Plan will operate as an injunction prohibiting and enjoining the commencement or continuation of any action, the employment of process or any act to collect, recover from, or offset (a) any Claim or Demand against or Equity Interest in the Debtor, Reorganized Shook & Fletcher or the Trusts by any Entity and (b) any cause of action, whether known or unknown, against the Released Parties based on the same subject matter as any Claim, Demand or Equity Interest described in clause (a) of this Article 11.5.

#### 11.6 THE SUPPLEMENTAL INJUNCTION, THE THIRD PARTY INJUNCTION AND THE SETTLING ASBESTOS INSURANCE COMPANY INJUNCTION.

In order to supplement the injunctive effect of the Discharge Injunction, and pursuant to Sections 524(g) or 105(a) of the Bankruptcy Code (or both), the Confirmation Order shall provide for the following injunctions to take effect as of the Confirmation Date:

(a) Supplemental Injunction.

(i) Terms.

In order to preserve and promote the settlements contemplated by and provided for in the Plan and to supplement, where necessary, the injunctive effect of the discharge both provided by Sections 1141 and 524 of the Bankruptcy Code and as described in this Article, and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under Section 524(g) or 105(a) of the Bankruptcy Code (or both), all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert any Claim, "Claim" as defined in relation to "Released Claims", demand (including any Demand), or Cause of Action (including, but not limited to, any Asbestos Claim and any Released Claim, or any Claim or demand for or respecting any Trust Expense of either of the Trusts) against the Released Parties, the Protected Parties, or any of them, based upon, relating to, arising out of, or in any way connected with any Released Claim or any Asbestos Claim, whenever and wherever arising or asserted (including, but not limited to, all such Claims in the nature of or sounding in tort, contract, warranty, bad faith, competition law, unfair or deceptive practices law, conspiracy, statute or any other body, theory or principle of law, equity, or admiralty whatsoever) or Equity Interest shall be permanently stayed, restrained and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery with respect to any such Claim, demand, Cause of Action, or Equity Interest, including, but not limited to:

(A) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim, Demand, Cause of Action, or Equity Interest against any of the Released Parties or the Protected Parties, or against the property of any Released Party or any Protected Party with respect to any such Claim, demand, Cause of Action, or Equity Interest;

(B) enforcing, attaching, collecting, or recovering, by any manner or means, any judgment, award, decree or order against any of the Released Parties or the Protected Parties or against the property of any Released Party or any Protected Party with respect to any such Claim, demand, Cause of Action, or Equity Interest;

(C) creating, perfecting or enforcing any Lien of any kind against any Released Party or any Protected Party or the property of any Released Party or any Protected Party with respect to any such Claim, demand, Cause of Action, or Equity Interest;

asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind against any obligation due any Released Party or any Protected Party or against the property of any Released Party or any Protected Party with respect to any such Claim, demand, Cause of Action, or Equity Interest; and

(E) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents, the Pre-Petition Trust Agreement or the Trust Documents, relating to such Claim, demand, Cause of Action, or Equity Interest.

(ii) Reservations.

Notwithstanding anything to the contrary above, but subject to the terms and conditions of any Asbestos Insurance Settlement Agreement and applicable approval order, this Supplemental Injunction shall not enjoin:

(A) the rights of Entities to the treatment accorded them under Articles II, III and IV of the Plan, as applicable, including the rights of Entities with CRP Valued Asbestos Claims to assert such Claims in accordance with the CRP;

(B) the rights of Entities to assert any Claim, debt, litigation, or liability for payment of Trust Expenses solely against the Trust or the Pre-Petition Trust, as applicable;

(C) the rights, if any, of the Pre-Petition Trust to prosecute any Asbestos Insurance Action;

(D) the rights of the Trust and the retained rights, if any, of Reorganized Shook & Fletcher (for the benefit of the Trusts, but the retention of any such right of Reorganized Shook & Fletcher shall not create any obligation that Reorganized Shook & Fletcher prosecute any Asbestos Insurance Action) to prosecute any Asbestos Insurance Action;

(E) the rights of Entities to assert any Claim, debt, obligation or liability for payment against an Asbestos Insurance Company that is not a Released Party unless otherwise enjoined by order of the Bankruptcy Court or estopped by provision of the Plan; and

(F) the rights of CCR to assert any Claim, debt, obligation or liability for payment against any Asbestos Insurance Company that is not based on (i) an Asbestos Claim or (ii) the rights or obligations of Debtor or Reorganized Shook & Fletcher;

however, notwithstanding anything to the contrary above, in respect of any Asbestos Insurance Settlement Agreement, this reservation permits only the specific performance of such agreement.

(b) Third Party Injunction.

(i) Terms.

In order to preserve and promote the settlements contemplated by and provided for in the Plan and agreements approved by the Bankruptcy Court and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under Section 524(g) or 105(a) of the Bankruptcy Code (or both), all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert any Third Party Claim shall be permanently stayed, restrained, and enjoined, from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments or recovery with respect to any such Third Party Claim, including, but not limited to:

(A) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Third Party Claim or against the property of any Protected Party, with respect to any such Third Party Claim;

(B) enforcing, attaching, collecting or recovering, by any manner or means, any judgment, award, decree, or order against any Protected Party, or against the property of any Protected Party, with respect to any such Third Party Claim;

(C) creating, perfecting, or enforcing any Lien of any kind against any Protected Party, or the property of any Protected Party, with respect to any such Third Party Claim;

(D) asserting or accomplishing any setoff, right of subrogation or contribution or recoupment of any kind against any obligation due any Protected Party, or against the property of any Protected Party, with respect to any such Third Party Claim; and

(E) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents relating to such Third Party Claim.

(ii) Reservations.

Notwithstanding anything to the contrary above, but subject to the terms and conditions of any Asbestos Insurance Settlement Agreement and applicable approval order, this Third Party Injunction shall not enjoin:

(A) the rights of Entities to the treatment accorded them under Articles II, III and IV of the Plan, as applicable, including the rights of Entities with CRP Valued Asbestos Claims to assert such Claims in accordance with the CRP;

(B) the rights of Entities to assert any Claim, debt, obligation, or liability for payment of Trust Expenses solely against the Trust or the Pre-Petition Trust, as applicable;

(C) the rights, if any, of the Pre-Petition Trust to prosecute any Asbestos Insurance Action;

(D) the rights of the Trust and the retained rights, if any, of Reorganized Shook & Fletcher (for the benefit of the Trusts, but the retention of any such right of Reorganized Shook & Fletcher shall not create any obligation that Reorganized Shook & Fletcher prosecute any Asbestos Insurance Action) to prosecute any Asbestos Insurance Action;

(E) the rights of Entities to assert any Claim, debt, obligation, or liability for payment against an Asbestos Insurance Company that is not a Protected Party unless otherwise enjoined by order of the Bankruptcy Court or estopped by provision of the Plan; and

(F) the rights of CCR to assert any Claim, debt, obligation or liability for payment against any Asbestos Insurance Company that is not based on (i) an Asbestos Claim or (ii) the rights or obligations of Debtor or Reorganized Shook & Fletcher;

however, notwithstanding anything to the contrary above, in respect of any Asbestos Insurance Settlement Agreement, this reservation permits only the specific performance of such agreement.

(c) Settling Asbestos Insurance Company Injunction

(i) Terms.

In order to preserve and promote the property of the Bankruptcy Estate, as well as the settlements contemplated and provided for in the Plan, and to supplement, where necessary, the injunctive effect of the discharge and releases detailed herein, and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under Section 524(g) or 105(a) of the Bankruptcy Code (or both), all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert any Claim, "Claim" as defined in relation to "Released Claims", demand (including any Demand), or cause of action (including, but not limited to, any Asbestos Claim, Released Claim or any Claim or demand for or respecting any Trust Expense), against a Settling Asbestos Insurance Company based upon, relating to, arising out of, or in any way connected with any Asbestos Claim, Released Claim, Asbestos In-Place Insurance Coverage, or Asbestos Insurance Policy, whenever and wherever arisen or asserted (including, but not limited to, all Claims in the nature of or sounding in tort, contract, warranty, bad faith, competition law, unfair or deceptive practices law, conspiracy, statute or any other body, theory or principal of law, equity, or admiralty whatsoever) shall be permanently stayed, restrained, and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery with respect to any such Claim, demand, or cause of action, including, but not limited to:

(A) commencing or continuing, in any manner, any action or other proceeding of any kind with respect to any such Claim, demand, or cause of action against any Settling Asbestos Insurance Company, or against the property of any Settling Asbestos Insurance Company, with respect to any such Claim, demand, or cause of action;

(B) enforcing, attaching, collecting, or recovering, by any manner or means, any judgment, award, decree, or order against any Settling Asbestos Insurance Company or against the property of any Settling Asbestos Insurance Company with respect to any such Claim, demand, or cause of action;

(C) creating, perfecting, or enforcing any Lien of any kind against any Settling Asbestos Insurance Company or the property of any Settling Asbestos Insurance Company with respect to any such Claim, demand, or cause of action;

(D) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or recoupment of any kind against any obligation due any Settling Asbestos Insurance Company or against the property of any Settling Asbestos Insurance Company with respect to any such Claim, demand, or cause of action; and

(E) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents relating to such claim, demand, or cause of action.

(ii) Reservations.

Notwithstanding anything to the contrary above, but subject to the terms and conditions of any Asbestos Insurance Settlement Agreement and applicable approval order, this Settling Asbestos Insurance Company Injunction shall not enjoin:

(A) the rights of Entities to the treatment accorded them under Articles II, III and IV of the Plan, as applicable, including the rights of Entities with Asbestos-Related Unsecured Claims to assert such Claims against the Trust in accordance with the Trust Documents and the rights of Entities with Asbestos-Related Secured Claims to assert such Claims against the Pre-Petition Trust in accordance with the Pre-Petition Trust Agreement;

(B) the rights of Entities to assert any Claim, debt, obligation, or liability for payment of Trust Expenses solely against the Trust or the Pre-Petition Trust, as applicable;

(C) the rights, if any, of the Pre-Petition Trust to prosecute any Asbestos Insurance Action;

(D) the rights of the Trust and the retained rights, if any, of Reorganized Shook & Fletcher (for the benefit of the Trusts, but the retention of any such right of Reorganized Shook & Fletcher shall not create any obligation that Reorganized Shook & Fletcher prosecute any Asbestos Insurance Action) to prosecute any Asbestos Insurance Action;

(E) the rights, if any, of the Pre-Petition Trust to assert any Claim, debt, obligation, or liability for payment against a Settling Asbestos Insurance Company;

(F) the rights of the Trust and the retained rights, if any, of Reorganized Shook & Fletcher (for the benefit of the Trusts, but the retention of any such right of Reorganized Shook & Fletcher shall not create any obligation that Reorganized Shook & Fletcher make such an assertion) to assert any Claim, debt, obligation, or liability for payment against a Settling Asbestos Insurance Company;

(G) the rights of any Entities who prior to the Petition Date had pending in any court of competent jurisdiction a Direct Action against an Asbestos Insurance Company that has not been stayed or enjoined by the order of such court as of such date, but only to the extent that such action seeks recovery under Asbestos Insurance Policies that provide coverage exclusively dedicated to such Entities or to such Entities' place of asbestos exposure and only to the extent that such Direct Action seeks a recovery consistent with a settlement among such Entities and the Debtor;

(H) the rights of the Trust and Reorganized Shook & Fletcher to assign a Cause of Action or the Trust's cause of action against a Settling Asbestos Insurance Company to a Claimant and for such Claimant to assert any Claim, debt, obligation, or liability for payment against such Settling Asbestos Insurance Company; and

(I) the rights of CCR to assert any Claim, debt, obligation or liability for payment against any Asbestos Insurance Company that is not based on (i) an Asbestos Claim or (ii) the rights or obligations of Debtor or Reorganized Shook & Fletcher;

however, notwithstanding anything to the contrary above, in respect of any Asbestos Insurance Settlement Agreement, this reservation permits only the specific performance of such agreement.

11.7 RESERVATION OF RIGHTS.

Notwithstanding any other provision of the Plan to the contrary, the satisfaction, release and discharge, and the Injunctions set forth in Articles 11.3, 11.4, 11.5, and 11.6, respectively, shall not serve to satisfy, discharge, release, or enjoin (i) Asbestos-Related Secured Claims against the Pre-Petition Trust, (ii) any Asbestos Claims against the Trust as and when provided in the Trust Documents, or (iii) Claims against the Trust or the Pre-Petition Trust, as applicable, for the payment of its respective Trust Expenses.

11.8 RIGHTS AGAINST NON-DEBTORS UNDER ENVIRONMENTAL LAWS.

Notwithstanding anything to the contrary contained herein, the injunctions and releases set forth in this Article XI, including, but not limited to, the Injunctions, shall not impair the rights or Causes of Action of the United States of America or any

State or other Governmental Unit against non-Debtor parties under applicable Environmental Laws, and such rights and Causes of Action shall not be discharged or otherwise adversely affected by the Plan.

**11.9 DISALLOWED CLAIMS AND DISALLOWED INTERESTS.**

On and after the Effective Date, the Debtor shall be fully and finally discharged of any liability or obligation on a disallowed Claim or a disallowed Equity Interest, and any order creating a disallowed Claim or a disallowed Equity Interest that is not a Final Order as of the Effective Date solely because of an Entity's right to move for reconsideration of such order pursuant to Section 502 of the Bankruptcy Code or Bankruptcy Rule 3008 shall nevertheless become and be deemed to be a Final Order on the Effective Date. The Confirmation Order, except as otherwise provided herein, or unless the Bankruptcy Court orders otherwise, shall constitute an order (a) disallowing all Claims (other than Asbestos Claims and Equity Interests) to the extent such Claims and Equity Interests are not allowable under any provision of Section 502 of the Bankruptcy Code, including, but not limited to, time-barred Claims and Claims for unmaturing interest, and (b) disallowing or subordinating, as the case may be, any Claims, or portions of Claims, for penalties or Non-Compensatory Damages.

**11.10 EXONERATION AND RELIANCE.**

The Debtor, Reorganized Shook & Fletcher, the Asbestos Claimants Committee, CCR, the Futures Representative, and the Trust Advisory Committee as well as their respective stockholders, directors, officers, agents, employees, members, attorneys, accountants, financial advisors, and representatives shall not be liable other than for willful misconduct to any holder of a Claim or Equity Interest or any other Entity with respect to any action, omission, forbearance from action, decision, or exercise of discretion taken at any time prior to the Effective Date in connection with (a) the management or operation of the Debtor, Reorganized Shook & Fletcher, or the discharge of their duties under the Bankruptcy Code, (b) the implementation of any of the transactions provided for, or contemplated in, the Plan or the Plan Documents, (c) any action taken in connection with either the enforcement of the Debtor's rights against any Entities or the defense of Claims asserted against the Debtor with regard to the Chapter 11 Case, (d) any action taken in the negotiation, formulation, development, proposal, disclosure, confirmation or implementation of the Plan Documents filed in the Chapter 11 Case, or (e) the administration of the Plan or the Trust or the Pre-Petition Trust or the assets and property to be distributed pursuant to the Plan. The Debtor, Reorganized Shook & Fletcher, the Asbestos Claimants Committee, CCR, the Futures Representative and the Trust Advisory Committee, as well as their respective stockholders, directors, officers, agents, employees, members, attorneys, accountants, financial advisors, and representatives may reasonably rely upon the opinions of their respective counsel, accountants, and other experts or professionals and such reliance, if reasonable, shall conclusively establish good faith and the absence of willful misconduct; *provided, however*, that a determination that such reliance is unreasonable shall not, by itself, constitute a determination or finding of bad faith or willful misconduct. In any action, suit or proceeding by any holder of a Claim or Equity Interest or any other Entity contesting any action by, or non-action of, the Debtor, Reorganized Shook & Fletcher, the Asbestos Claimants Committee, CCR, the Futures Representative or the Trust Advisory Committee or their respective stockholders, directors, officers, agents, employees, members, attorneys, accountants, financial advisors, and representatives, the reasonable attorneys' fees and costs of the prevailing party shall be paid by the losing party and, as a condition to going forward with such action, suit, or proceeding at the outset thereof, all parties thereto shall be required to provide appropriate proof and assurances of their capacity to make such payments of reasonable attorneys' fees and costs in the event they fail to prevail.

**11.11 NO LIABILITY FOR SOLICITATION OR PARTICIPATION.**

Pursuant to Section 1125(e) of the Bankruptcy Code, the Confirmation Order shall provide that all of the Persons who have solicited acceptances or rejections of the Plan (including the Debtor, Reorganized Shook & Fletcher, and all of their respective officers, directors, shareholders, attorneys, agents, advisers and employees, all of the other Released Parties and the Voting Agent) have acted in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and are not liable on account of such solicitation or participation, for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the offer, issuance, sale or purchase of securities.

**ARTICLE XII**

**MATTERS INCIDENT TO PLAN CONFIRMATION**

**12.1 NO LIABILITY FOR TAX CLAIMS.**

Unless a taxing authority has asserted a Claim against the Debtor before the Bar Date established therefor, no Claim of such authority shall be Allowed against the Debtor or Reorganized Shook & Fletcher for taxes, penalties, interest, additions to tax, or other charges arising out of the failure, if any, of the Debtor, or any other Entity to have paid tax or to have filed any tax return (including, but not limited to, any income tax return or franchise tax return) in or for any prior year or arising out of an audit of any return for a period before the Petition Date.

**12.2 NO SUCCESSOR LIABILITY.**

Except as otherwise expressly provided in the Plan or the other Plan Documents, the Debtor, Reorganized Shook & Fletcher, the Asbestos Claimants Committee, the Futures Representative, and the Trust Advisory Committee do not, pursuant to the

Plan or otherwise, assume, agree to perform, pay, or indemnify creditors or otherwise have any responsibilities for any liabilities or obligations of the Debtor relating to or arising out of the operations of or assets of the Debtor, whether arising prior to, on, or after the Confirmation Date. Neither Reorganized Shook & Fletcher, nor the Trust or the Pre-Petition Trust is, or shall be, a successor to the Debtor by reason of any theory of law or equity, and none shall have any successor or transferee liability of any kind or character, except that Reorganized Shook & Fletcher, the Trust and the Pre-Petition Trust shall assume the obligations specified in the Plan Documents and the Confirmation Order.

#### VESTING OF ASSETS.

Except as otherwise expressly provided in the Plan, on the Effective Date, Reorganized Shook & Fletcher shall be vested with all of the assets and property of its former Bankruptcy Estate (other than the Trust Assets and the rights granted to the Pre-Petition Trust in respect of the Asbestos Insurance Collateral), free and clear of all Claims, Liens, charges, encumbrances and other interests of holders of Claims except for the Liens that Shook & Fletcher reinstated or granted in favor of each of AmSouth Bank, SouthTrust Bank, and Shook & Fletcher Supply as provided in the Plan or the Confirmation Order, and following the Effective Date may operate its business free of any restrictions imposed by the Bankruptcy Code or by the Bankruptcy Court. Except as otherwise expressly provided in the Plan, on the Effective Date, the Trust shall be vested with all of the Trust Assets as and when provided in the Plan Documents.

#### 12.4 INSTITUTION AND MAINTENANCE OF LEGAL AND OTHER PROCEEDINGS.

Notwithstanding the Pre-Petition Trustee's security interest in the Asbestos Insurance Collateral, as of the Effective Date until the date on which the Pre-Petition Trust has paid (or caused to be paid) all Asbestos-Related Secured Claims (other than the CCR Secured Claim) in full, and Provision For CCR and payment of or provision for all then accrued and unpaid Trust Expenses of the Pre-Petition Trust has been made, the Trust shall be empowered to initiate, prosecute, defend, settle and resolve all legal actions and other proceedings related to the Asbestos Insurance Collateral for the benefit of the Pre-Petition Trust (including Asbestos Insurance Actions); *provided however* that the Trust shall not enter into an Asbestos Insurance Settlement Agreement without the consent of each of the Trust Advisory Committee and the Futures Representative. As of the Effective Date, the Trust shall be empowered to initiate, prosecute, defend, settle and resolve all legal actions and other proceedings related to any asset, liability or responsibility of the Trust, which, after the date on which the Pre-Petition Trust has paid (or caused to be paid) all Asbestos-Related Secured Claims (other than the CCR Secured Claim) in full, and Provision For CCR and payment of or provision for all then accrued and unpaid Trust Expenses of the Pre-Petition Trust has been made, shall include without limitation, Asbestos Insurance Actions, for the benefit of the Trust. Each of the Trusts shall be responsible for (and Reorganized Shook & Fletcher shall have no liability for) the payment of all damages, awards, judgments, settlements, expenses, costs, fees, and other charges incurred by it subsequent to the Confirmation Date arising from or associated with any legal action or other proceeding which is the subject of this Article 12.4 and shall pay or reimburse all deductibles, retrospective premium adjustments, or other charges, if any, which may arise from the receipt of insurance proceeds by it. Notwithstanding anything to the contrary in this Article 12.4, nothing in this Article 12.4 creates, modifies, or eliminates any right, duty, or obligation addressed, resolved, or released pursuant to this Plan.

#### 12.5 VESTING AND ENFORCEMENT OF TRUST CAUSES OF ACTION.

Pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code, except as otherwise provided in the Plan, the Trust shall be vested with and have the right to enforce against any Entity any and all of the Debtor's Causes of Action related to Asbestos Claims; *provided, however*, that nothing herein shall alter, amend, or modify the injunctions (including the Injunctions), releases, or discharges provided herein.

#### 12.6 PRESERVATION OF INSURANCE CLAIMS.

The Debtor's discharge, and the Released Parties' discharge and release, from Claims as provided herein shall neither diminish nor impair the obligations of any insurer arising under any insurance policy, settlement agreement or otherwise.

### **ARTICLE XIII**

#### **RETENTION OF JURISDICTION**

##### 13.1 JURISDICTION.

Until the Chapter 11 Case is closed, the Bankruptcy Court shall retain the fullest and most extensive jurisdiction permissible, including that necessary to ensure that the purposes and intent of the Plan are carried out. Except as otherwise provided in the Plan, the Bankruptcy Court shall retain jurisdiction to hear and determine all Claims against and Equity Interests in the Debtor, and to adjudicate and enforce all other Causes of Action which may exist on behalf of the Debtor. Nothing contained herein shall prevent the Debtor, Reorganized Shook & Fletcher, the Pre-Petition Trust or the Trust from taking such action as may be necessary in the enforcement of any Cause of Action which the Debtor has or may have and which may not have been enforced or prosecuted by the Debtor, which Cause of Action shall survive confirmation of the Plan and shall not be affected thereby except as specifically provided herein.

### 13.2 GENERAL RETENTION.

Following the entry of the Confirmation Order, the administration of the Chapter 11 Case will continue at least until the completion of the transfers contemplated to be accomplished on the Effective Date. Moreover, each of the Trusts shall be subject to the continuing jurisdiction of the Bankruptcy Court in accordance with the requirements of Section 468B of the IRC and the Treasury regulations issued pursuant thereto. The Bankruptcy Court shall also retain jurisdiction for the purpose of classification of any Claim and the re-examination of Claims which have been Allowed temporarily for purposes of voting, and the determination of such objections as may be filed with the Bankruptcy Court with respect to any Claim. The failure by the Debtor to object to, or examine, any Claim for the purposes of voting, shall not be deemed a waiver of the right of the Debtor, Reorganized Shook & Fletcher, or either of the Trusts to object to or re-examine such Claim in whole or part for any other purpose.

### 13.3 SPECIFIC PURPOSES.

In addition to the foregoing, the Bankruptcy Court shall retain exclusive jurisdiction for the following specific purposes after the Confirmation Date:

- (a) to modify the Plan after the Confirmation Date, pursuant to the provisions of the Bankruptcy Code and the Bankruptcy Rules;
- (b) to correct any defect, cure any omission, reconcile any inconsistency, or make any other necessary changes or modifications in or to the Plan, the Trust Documents or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan, including the adjustment of the date(s) of performance under the Plan Documents in the event that the Effective Date does not occur as provided herein so that the intended effect of the Plan may be substantially realized thereby;
- (c) to assure the performance by Reorganized Shook & Fletcher and the Trusts of their respective obligations to make distributions under the Plan;
- (d) to enforce and interpret the terms and conditions of the Plan Documents;
- (e) to enter such orders or judgments, including, but not limited to, injunctions (i) as are necessary to enforce the title, rights, and powers of the Debtor, Reorganized Shook & Fletcher, and the Trusts and (ii) as are necessary to enable holders of Claims to pursue their rights against any Entity that may be liable therefor pursuant to applicable law or otherwise, including, but not limited to, Bankruptcy Court orders;
- (f) to hear and determine any motions or contested matters involving taxes, tax refunds, tax attributes, tax benefits, and similar or related matters with respect to the Debtor, Reorganized Shook & Fletcher, or the Trusts, arising on or prior to the Effective Date, arising on account of transactions contemplated by the Plan Documents, or relating to the period of administration of the Chapter 11 Case;
- (g) to hear and determine all applications for compensation of professionals and reimbursement of expenses under Section 330, 331, or 503(b) of the Bankruptcy Code;
- (h) to hear and determine any causes of action arising during the period from the Petition Date through the Effective Date;
- (i) to hear and determine any cause of action in any way related to the Plan Documents or the transactions contemplated thereby, against the Debtor, Reorganized Shook & Fletcher, the Asbestos Claimants Committee, the Trust, the Trustee, the Futures Representative or the Trust Advisory Committee and their respective present and former officers, directors, stockholders, employees, members, attorneys, accountants, financial advisors, representatives, and agents;
- (j) to hear and determine any and all motions for the rejection, assumption, or assignment of Executory Contracts and the Allowance of any Claim resulting therefrom;
- (k) to hear and determine such other matters as may be provided in the Confirmation Order;
- (l) to consider and act on the compromise and settlement of any Claim against or Equity Interest in the Debtor or its Bankruptcy Estate including, without limitation, any disputes relating to the Bar Date;
- (m) to hear and determine all questions and disputes regarding title to the assets of the Debtor, the Bankruptcy Estate, or the Trusts;
- (n) to hear and determine all matters, questions, and disputes with respect to the Asbestos Claims and direct causes of action brought by the Trust or Reorganized Shook & Fletcher, including without limitation extra-contractual causes of action, against the Asbestos Insurance Companies;
- (o) to hear and determine any other matters related hereto, including the implementation and enforcement of all orders entered by the Bankruptcy Court in the Chapter 11 Case;

(p) to retain continuing jurisdiction with regard to the Trusts sufficient to satisfy the requirements of Treasury Regulation Section 1.468B-1(c)(1);

to hear and determine any and all applications brought by the Trustee to amend, modify, alter, or repeal any provision of the Trust Documents pursuant thereto; and

(r) to enter such orders as are necessary to implement and enforce the Injunctions and the other injunctions described herein, including, without limitation, orders extending the protections afforded by Section 524(g) of the Bankruptcy Code to the Settling Asbestos Insurance Companies.

## ARTICLE XIV

### ENTRY OF CLOSING ORDER BY THE BANKRUPTCY COURT

The performance of all obligations which shall be due and owing on the Effective Date pursuant to the terms of this Plan shall constitute substantial consummation of the Plan within the meaning of Section 1101(2) of the Bankruptcy Code. Notwithstanding any closing of the Chapter 11 Case, the Trust, the Pre-Petition Trust, Futures Representative, the Trust Advisory Committee or Reorganized Shook & Fletcher may move, on notice limited to each of them and the Bankruptcy Administrator, to reopen the Chapter 11 Case for the purpose of seeking relief pursuant to the retained jurisdiction of the Bankruptcy Court provided herein, under the Confirmation Order or under applicable law.

## ARTICLE XV

### MISCELLEOUS PROVISIONS

#### 15.1 EXEMPTION FROM TRANSFER TAXES.

Pursuant to Section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust or other security interest, the making or assignment of any lease or sublease, the transfer of any assets or property pursuant to or in connection with the Plan or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, any merger agreements or agreements of consolidation, deeds, bills of sale or assignments executed in connection with any of the transactions contemplated under the Plan shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

#### 15.2 COMPLIANCE WITH TAX REQUIREMENTS.

In connection with this Plan, the Debtor and Reorganized Shook & Fletcher shall comply with all applicable withholding and reporting requirements imposed by federal, state, local and foreign taxing authorities, and all distributions hereunder shall be subject to those withholding and reporting requirements. Creditors may be required to provide certain tax information as a condition to receiving distributions pursuant to this Plan. Notwithstanding any other provision of this Plan, each Person receiving a distribution pursuant to this Plan will have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit, including income, withholding and other tax obligations, on account of that distribution. Reorganized Shook & Fletcher, the Pre-Petition Trust, or the Trust, as applicable, shall withhold from any assets or property distributed under the Plan any assets or property which must be withheld for foreign, federal, state and local taxes payable with respect thereto or payable by the Person entitled to such assets to the extent required by applicable law.

#### 15.3 EFFECTUATING DOCUMENTS AND FURTHER TRANSACTIONS.

The Debtor, the Pre-Petition Trust and the Pre-Petition Trustee, the Trust and the Trustee, Reorganized Shook & Fletcher, CCR, the Futures Representative, the Asbestos Claimants Committee, the Trust Advisory Committee, and any other party whose cooperation is needed in connection with the Plan, are required to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

#### 15.4 THE ASBESTOS CLAIMANTS COMMITTEE AND THE FUTURES REPRESENTATIVE.

The Asbestos Claimants Committee and the Futures Representative shall continue in existence until the Effective Date, with the Trust to pay the reasonable fees and expenses of the Asbestos Claimants Committee and the Futures Representative through that date. After the Effective Date, the Futures Representative shall continue in existence and the rights, duties and responsibilities of the Futures Representative shall be as set forth in the Trust Documents. All reasonable fees and expenses of the Futures Representative, the Trust Advisory Committee and their respective counsel and advisors shall be the responsibility of the Trust, and Reorganized Shook & Fletcher shall have no liability therefor. On the Effective Date, the Asbestos Claimants Committee shall be dissolved and the members, attorneys, accountants, and other professionals thereof shall be released and discharged of and from all further authority, duties, responsibilities, liabilities, and obligations related to, or arising from, the Chapter 11 Case.

15.5 MODIFICATION OF THE PLAN.

Shook & Fletcher may propose amendments to or modifications of the Plan, under Section 1127 of the Bankruptcy Code, at any time prior to the Confirmation Date. After the Confirmation Date, Reorganized Shook & Fletcher may remedy any defects or omissions or reconcile any inconsistencies in the Plan or the Confirmation Order or any other order entered for the purpose of implementing the Plan in such manner as may be necessary to carry out the purposes and intent of the Plan; *provided however* that if Reorganized Shook & Fletcher fails to so remedy or reconcile after the Confirmation Date following a request from the Trustee to do so, then the Trustee may file a motion seeking such remedy or reconciliation on notice to each of the Persons specified in Article 15.9 hereof.

15.6 REVOCATION AND WITHDRAWAL OF THE PLAN.

The Debtor reserves the right to revoke and withdraw the Plan prior to the Confirmation Date. If the Debtor revokes and withdraws the Plan prior to the Confirmation Date or, if the Plan is not confirmed pursuant to Section 1129 of the Bankruptcy Code, then the Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims by or against the Debtor or any other Entity or to prejudice in any manner the rights of the Debtor or any Entity in any further proceedings involving the Debtor.

15.7 BINDING EFFECT.

Upon the Effective Date, the Plan shall be binding upon and inure to the benefit of the Debtor and its successors and assigns, Reorganized Shook & Fletcher, and the holders of Claims and Equity Interests and their respective successors and assigns, whether or not they voted to accept the Plan. The rights, duties and obligations of any Entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such Entity.

15.8 NO ADMISSION.

Notwithstanding anything herein to the contrary, nothing contained in the Plan or in the Disclosure Statement shall be deemed as an admission by the Debtor, with respect to any matter set forth herein or therein, including, without limitation, liability on any Claim or the propriety of any Claim classification.

15.9 NOTICES.

All notices, requests and demands to or upon the Debtor or Reorganized Shook & Fletcher, the Asbestos Claimants Committee, the Futures Representative or CCR to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

*If to the Debtor or Reorganized Shook & Fletcher to:*

Mr. J. David Jackson  
Executive Vice President  
Shook & Fletcher Insulation Co.  
4625 Valleydale Road  
Birmingham, AL 35243  
Telephone: (205) 991-7606  
Facsimile: (205) 991-7745

*With copies to:*

Roger Frankel, Esq.  
Richard H. Wyron, Esq.  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, NW, Suite 300  
Washington, D.C. 20007  
Telephone: (202) 424-7500  
Facsimile: (202) 424-7645

Richard P. Carmody, Esq.  
Joe A. Joseph, Esq.  
Lange, Simpson, Robinson & Somerville, LLP  
417 20<sup>th</sup> Street North, Suite 1700  
Birmingham, AL 35203-3217  
Telephone: (205) 250-5033

*If to the Asbestos Claimants Committee:*

Joseph F. Rice, Esq.  
28 Bridgeside Boulevard  
P.O. Box 1792  
Mt. Pleasant, SC 29464  
Telephone: (843) 216-9000  
Facsimile: (843) 216-9290

*If to the Futures Representative:*

R. Scott Williams, Esq.  
Haskell Slaughter Young & Rediker, L.L.C.  
1200 AmSouth/Harbert Plaza  
1901 Sixth Avenue North  
Birmingham, AL 35203  
Telephone: (205) 251-1000

*With a copy to:*

Robert M. Fishman, Esq.  
Shaw Gussis Fishman Glantz & Wolfson, L.L.C.  
1144 West Fulton Street, Suite 200  
Chicago, IL 60607  
Telephone: (312) 541-0151  
Facsimile: (312) 541-0155

*If to CCR:*

Mr. Lawrence Fitzpatrick  
The Center for Claims Resolution  
504 Carnegie Center, 2<sup>nd</sup> Floor  
Princeton, NJ 08540  
Telephone: (609) 951-6008  
Facsimile: (609) 520-0649

*With a copy to:*

William R. Hanlon, Esq.  
Shea & Gardner  
1800 Massachusetts Ave., N.W.  
Washington, DC 20046  
Telephone: (202) 828-2000  
Facsimile: (202) 828-2195

Michael P. Richman, Esq.  
Mayer Brown Rowe & Maw  
1675 Broadway  
New York, NY 10019-5820  
Telephone: (212) 506-2500  
Facsimile: (212) 262-1910

or to such other address or to the attention of such other Person as the recipient Person has specified by prior written notice to each of the other foregoing Persons.

15.10 GOVERNING LAW.

Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit to the Plan provides otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Alabama, without giving effect to the principles of conflicts of law of such jurisdiction, and, where applicable, the General Corporation Law of the State of Delaware.

15.11 PLAN SUPPLEMENT.

Any and all exhibits or schedules not filed with the Plan shall be contained in a Plan supplement and filed with the Clerk of the Bankruptcy Court at least ten days prior to the Confirmation Hearing. Upon its filing with the Bankruptcy Court, the Plan supplement may be inspected in the office of the Clerk of the Bankruptcy Court during regular court hours. Holders of Claims or Equity Interests may obtain a copy of the Plan supplement upon written request to the Debtor in accordance with Section 15.9 of the Plan.

15.12 HEADINGS.

Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

15.13 EXHIBITS AND SCHEDULES.

All Exhibits and Schedules to the Plan, including the Plan supplement, are incorporated into and are a part of, the Plan as if set forth in full herein.

15.14 MODIFICATION OF PAYMENT TERMS.

The Debtor reserves the right to modify the treatment of any Allowed Claim, as provided in Section 1123(a)(4) of the Bankruptcy Code, at any time after the Effective Date upon the consent of the holder of such Allowed Claim.

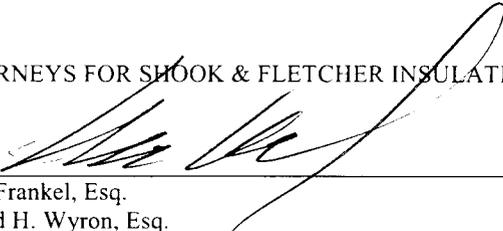
15.15 ENTIRE AGREEMENT.

The Plan Documents set forth the entire agreement and undertakings relating to the subject matter thereof and supersede all prior discussions and documents. No Entity shall be bound by any terms, conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof, other than as expressly provided for herein or as may hereafter be agreed to by the parties in writing.

SHOOK & FLETCHER INSULATION CO.,  
a Delaware corporation

By:   
Name: Wayne W. Killion, Jr.  
Title: President and Chief Executive Officer

ATTORNEYS FOR SHOOK & FLETCHER INSULATION CO.

  
\_\_\_\_\_  
Roger Frankel, Esq.  
Richard H. Wyron, Esq.  
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP  
3000 K Street, N.W., Suite 300  
Washington, DC 20007  
(202) 424-7500

Dated: October 29, 2002

**EXHIBIT A TO THE PLAN OF REORGANIZATION**

**Second Amended Glossary of Terms for the Plan Documents Pursuant to the Second Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of Shook & Fletcher Insulation Co.**

UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

In re: ) Chapter 11  
)  
)  
SHOOK & FLETCHER INSULATION CO., ) Case No.: 02-02771-BGC-11  
)  
)  
Debtor. )

**SECOND AMENDED GLOSSARY OF TERMS FOR THE PLAN DOCUMENTS  
PURSUANT TO THE SECOND AMENDED PLAN OF REORGANIZATION UNDER  
CHAPTER 11 OF THE UNITED STATES BANKRUPTCY  
CODE FOR SHOOK & FLETCHER INSULATION CO.**

Roger Frankel  
Richard H. Wyron  
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
(202) 424-7500

Richard P. Carmody  
Joe A. Joseph  
LANGE, SIMPSON, ROBINSON & SOMERVILLE LLP  
417 20<sup>th</sup> Street North, Suite 1700  
Birmingham, AL 35203-3217  
(205) 250-5033

Attorneys for Shook & Fletcher Insulation Co.

October 27, 2002

## DEFINITIONS

Unless the context requires otherwise, the following terms shall have the following meanings when used with the initial letter capitalized. Such meanings shall be equally applicable to both the singular and plural forms of such terms. Any term used in capitalized form that is not defined herein but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to such term by the Bankruptcy Code or the Bankruptcy Rules (with the Bankruptcy Code controlling in the case of a conflict or ambiguity). The rules of construction set forth in section 102 of the Bankruptcy Code shall apply in construction of the Plan Documents. All references to the "Plan" herein shall be construed, where applicable, to include references to the Plan and all its exhibits, appendices, schedules, and annexes (and any amendments thereto made in accordance with the Bankruptcy Code).

- Additional Indemniteses* means each member of the Asbestos Claimants Committee, each member of the TAC, the Futures Representative, Reorganized Shook & Fletcher, Shook & Fletcher Supply, and their respective professionals, officers and directors.
- Administrative Expense Claim* means any right to payment constituting a cost or an expense of administration of the Chapter 11 Case under Sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, (a) any actual and necessary costs and expenses of preserving the estate of the Debtor, of administering the Chapter 11 Case as authorized and approved by a Final Order, or of operating the business of the Debtor, (b) any indebtedness or obligations incurred or assumed by the Debtor in connection with the conduct of its business post-petition, including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, (c) all compensation and reimbursement of expenses to the extent allowed and/or authorized by Final Order under Section 330, 331 or 503(b) of the Bankruptcy Code, and (d) any fees or charges assessed against the Bankruptcy Estate of the Debtor under Section 1930 of Chapter 123 of Title 28 of the United States Code; *provided, however*, that the term "Administrative Expense Claims" shall not include (i) any fees or charges assessed against the Bankruptcy Estate of the Debtor or the assets of, or distributions made by, either of the Trusts under Section 1930 of Chapter 123 of Title 28 of the United States Code with respect to any calendar quarter following the calendar quarter in which the Effective Date occurs during which the Chapter 11 Case is not closed as a result of any matter related to Trust Assets, Asbestos Claims or enforcement of any Injunctions, or (ii) any Asbestos Claims.
- Adoption Forms* means the adoption forms substantially in the form attached to the SBNP Settlement Agreement as Appendix B thereto.
- Affiliate* shall have the meaning ascribed to such term in Section 101(2) of the Bankruptcy Code.
- Allowed* (and derivatives thereof, such as Allow or Allowing) means:
- (a) with respect to an Administrative Expense Claim, an Administrative Expense Claim, or any portion thereof, that (i) is allowed by a Final Order or that is deemed allowed pursuant to Sections 102 and 503(b) of the Bankruptcy Code or (ii) is a Claim incurred by the Debtor in the ordinary course of its business and that has been expressly acknowledged by the Debtor as due and owing pursuant to a written agreement executed by the Debtor after the Petition Date;
  - (b) with respect to a Claim (other than an Administrative Expense Claim) including an Asbestos Claim, a Claim arising prior to the Petition Date, or any portion thereof (i) that has been expressly acknowledged by the Debtor as due and owing pursuant to a written agreement executed by the Debtor after the Petition Date, (ii) that has been allowed by a Final Order, (iii) for which a Bar Date has been established and a Proof of Claim has been timely filed with the Bankruptcy Court pursuant to the Bankruptcy Rules or any Final Order of the Bankruptcy Court, and as to which either (A) no objection thereto, or application to estimate, equitably subordinate or otherwise limit recovery, has been filed within the periods of limitation fixed by the Bankruptcy Code, Bankruptcy Rules, the Plan, or any Final Order, or (B) any objection to its allowance or application to estimate, equitably subordinate or otherwise limit recovery has been settled, withdrawn, or has been denied by a Final Order, (iv) that is expressly allowed in the Plan, (v) from the recovery of property under Section 550 or 553 of the Bankruptcy Code and that is allowed in accordance with Section 502(h) of the Bankruptcy Code, (vi) that has been listed in the Schedules (as they may be amended) and (A) is not listed as disputed, contingent or unliquidated, and (B) for

which a Proof of Claim has not been filed, (vii) that is a CRP Valued Asbestos Claim, that is liquidated and allowed pursuant to the CRP, or, if applicable, pursuant to a Final Order of the Bankruptcy Court (but only to the extent so allowed), (viii) that constitutes an Asbestos-Related Secured Claim or a Present Asbestos Unsecured Claim or an SBNP Asbestos Unsecured Claim or an Other SBNP Claim or (ix) that constitutes a CRP Valued Asbestos Claim, upon the final determination of the Liquidated Value therefor pursuant to the CRP; and

(c) with respect to an Equity Interest, such Equity Interest.

<i>Allowed Amount</i>	means the dollar amount in which a Claim is Allowed.
<i>AmSouth Bank</i>	means AmSouth Bank of Alabama.
<i>Asbestos Claim</i>	means (a) any claim, demand or lawsuit (including, but not limited to, any Claim, Bonded Claim, or Demand) against the Debtor, its predecessors, successors, subsidiaries or Affiliates, or their respective present or former officers, directors or employees, whenever and wherever arising or asserted or which could have been brought against them or any of them, and (b) any debt, obligation or liability (whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, bonded, secured, or unsecured) of the Debtor, its predecessors, successors, subsidiaries or Affiliates, or their respective present or former officers, directors or employees (including, but not limited to, all thereof in the nature of or sounding in tort, contract, warranty, bad faith, competition law, unfair or deceptive practices law, conspiracy, statute or any other body, theory or principle of law, equity or admiralty whatsoever) whenever and wherever arising or asserted; in either case (a) or (b) for, relating to, or arising by reason of, directly or indirectly, physical, emotional, bodily or other personal injury, sickness, disease, death or damages (including, but not limited to, any claim or demand for compensatory damages, loss of consortium, proximate, consequential, general, special or punitive damages, reimbursement, indemnity, warranty, contribution or subrogation) whether or not diagnosable or manifested before the Confirmation Date or the close of the Chapter 11 Case, (x) caused or allegedly caused, in whole or in part, directly or indirectly (i) by asbestos or asbestos-containing products, including asbestos or asbestos containing products manufactured, distributed, sold, handled, installed, stored, or removed by Shook & Fletcher or (ii) by services, actions, or operations, including services, actions or operations provided, completed or taken by Shook & Fletcher in connection with asbestos or asbestos-containing products, or (y) caused or allegedly caused by asbestos or asbestos-containing products, services, actions or operations for which Shook & Fletcher may be otherwise liable under any applicable law including, but not limited to, conduct in the management, negotiation, litigation, settlement or disposition of any such Claim, Bonded Claim, Demand, debt, obligation or liability ; in any case, whether or not arising or allegedly arising, directly or indirectly, from acts or omissions of the Debtor, its predecessors, subsidiaries or Affiliates, or its present or former officers, directors or employees, or any other Person for or with which the Debtor or its successors are or may be liable, including its insurers, including asbestos-related claims including, but not limited to, Indirect Asbestos Claims and Asbestos Expenses.
<i>Asbestos Claimant</i>	means the holder of an Asbestos Claim.
<i>Asbestos Claimants Committee</i>	means (i) the unofficial committee formed and existing prior to the Petition Date comprised of representatives of the holders of Present Asbestos Claims and (ii) following the Petition Date, either (x) such unofficial committee if it continues to exist or (y) the official Asbestos Claimants Committee if any is appointed in the Chapter 11 Case pursuant to Section 1102 of the Bankruptcy Code.
<i>Asbestos Claims Settlement Agreements</i>	means the Claimants Agreement and SBNP Settlement Agreement.
<i>Asbestos Expenses</i>	means all costs, taxes and expenses of or imposed on the Trust attributable or allocable to Asbestos Claims, including, but not limited to compensation to the Trustee(s), the Futures Representative, the TAC and their respective professionals, insurance premiums, legal, accounting and other professional fees and expenses, overhead disbursements, and expenses relating to the implementation of the CRP, but excluding payments to holders of Asbestos Claims that do not constitute Asbestos Expenses and reimbursements of such payments.

*Asbestos In-Place Insurance Coverage*

means any insurance coverage available for the payment or reimbursement of liability, indemnity or defense costs arising from or related to Asbestos Claims or Trust Expenses under any Asbestos Insurance Policy or any Asbestos Insurance Settlement Agreement.

*Asbestos Insurance Action*

means any claim, cause of action, or right of Shook & Fletcher or Reorganized Shook & Fletcher under, arising from or with respect to any Asbestos Insurance Policy or Asbestos Insurance Settlement Agreement, including but not limited to any claim, cause of action or right arising from or related to (a) any Asbestos Insurance Company's failure to provide or pay under any Asbestos In-Place Insurance Coverage, Asbestos Insurance Policy or Asbestos Insurance Settlement Agreement; (b) the interpretation or enforcement of any Asbestos Insurance Policy with respect to any Asbestos Claim; (c) the interpretation or enforcement of an Asbestos Insurance Settlement Agreement or (d) any other right, dispute or claim.

*Asbestos Insurance Action Recoveries*

means (a) proceeds received on or after the Petition Date in respect of, and the right to receive proceeds of, Asbestos In-Place Insurance Coverage, and (b) proceeds received on or after the Petition Date in respect of, and the right to receive the proceeds or benefits of, any Asbestos Insurance Action.

*Asbestos Insurance Collateral*

means

(a) all Shook & Fletcher's claims, causes of action and rights, whether existing as of the date of the Security Agreement or thereafter arising, liquidated or unliquidated, disputed or undisputed, fixed or contingent, to receive payment from its insurers or to have monies expended by its insurers for its benefit to satisfy claims against it, net of any and all attorneys' fees or other professional fees and related expenses and disbursements incurred by or on behalf of Shook & Fletcher or any Shook & Fletcher successor in connection with pursuit by Shook & Fletcher or any Shook & Fletcher successor of Shook & Fletcher's insurance coverage ("*Shook Professional Fees, Disbursements and Expenses*"), pursuant to Shook & Fletcher's comprehensive general liability insurance policies identified in Appendix A to the Security Agreement (the "*Policies*"), whether by virtue of a coverage-in-place settlement, a buy-out of coverage, a judgment for declaratory relief or damages, or otherwise;

(b) all Shook & Fletcher's claims, causes of action and rights, whether existing as of the date of the Security Agreement or thereafter arising, liquidated or unliquidated, disputed or undisputed, fixed or contingent, to receive payment from Hartford or to have monies expended by Hartford for Shook & Fletcher's benefit to satisfy claims against Shook & Fletcher, net of any and all Shook Professional Fees, Disbursements and Expenses, pursuant to the Hartford Agreement and, to the extent, if any, that they may survive notwithstanding the Hartford Agreement, all Shook & Fletcher's claims, causes of action and rights, whether now existing or hereafter arising, liquidated or unliquidated, disputed or undisputed, fixed or contingent, to receive payment from Hartford or to have monies expended by Hartford for Shook & Fletcher's benefit to satisfy claims against Shook & Fletcher, net of any and all Shook Professional Fees, Disbursements and Expenses, pursuant to Shook & Fletcher's comprehensive general liability insurance policies identified in Appendix B to the Security Agreement (the "*Hartford Security Agreement Policies*"), whether by virtue of a coverage-in-place settlement, a buy-out of coverage, a judgment for declaratory relief or damages, or otherwise; and

(c) any proceeds, net of any and all Shook Professional Fees, Disbursements and Expenses, actually received from any of the above (collectively, the "*Insurance Proceeds*"). Insurance Proceeds means any and all monies or proceeds that Shook & Fletcher receives from the Policies, the Hartford Agreement, or the Hartford Security Agreement Policies, net of any and all Shook Professional Fees, Disbursements and Expenses;

in each case in which Shook & Fletcher has assigned and granted a security interest to the Pre-Petition Trustee pursuant to the Security Agreement.

*Asbestos Insurance Company*

means any insurance company, insurance broker, guaranty association or any other Entity with actual or potential obligation or liability to the Debtor, the Pre-Petition Trust or the Trust under an

Asbestos Insurance Policy or under any settlement agreement with respect thereto (including without limitation Hartford).

<i>Asbestos Insurance Policy</i>	means any insurance policy issued for a policy period at any time before the Effective Date which names the Debtor (or any predecessor, subsidiary, or past or present Affiliate of the Debtor) as an insured, or which otherwise provides or may provide the Debtor with insurance coverage, and which provides or may provide insurance coverage for or with respect to any Asbestos Claim (including without limitation the policies included in the Asbestos Insurance Collateral); <i>provided, however,</i> that Asbestos Insurance Policy does not include any insurance policy if, and then only to the extent that, such policy applies to a period on or after the Effective Date.
<i>Asbestos Insurance Rights</i>	means any and all of Shook & Fletcher's and Reorganized Shook & Fletcher's claims, causes of action or rights under, arising from or with respect to any and all Asbestos Insurance Policies, Asbestos Insurance Settlement Agreements, or Asbestos In-Place Insurance Coverage, including any and all Asbestos Insurance Actions.
<i>Asbestos Insurance Settlement Agreement</i>	means (i) the Hartford Agreement and (ii) any other settlement agreement with a Settling Asbestos Insurance Company relating to or with respect to any Asbestos Claim, which agreement is sufficiently comprehensive in the determination of the Debtor to warrant protection for the Settling Asbestos Insurance Company under Section 524(g) of the Bankruptcy Code.
<i>Asbestos-Related Disease Categories</i>	means those groups of common asbestos-related medical conditions, based upon historic data, that have been identified in the Compensable Disease Matrix in order to facilitate the expedient and efficient processing and liquidation of CRP Valued Asbestos Claims.
<i>Asbestos-Related Secured Claims</i>	means the SBNP Asbestos Secured Claims, the Present Asbestos Secured Claims, the CCR Secured Claim, and the Settlement Professionals' Secured Claims.
<i>Asbestos-Related Unsecured Claims</i>	means any Asbestos Claim other than the Asbestos-Related Secured Claims and specifically includes, without limitation, Asbestos Claims arising prior to the Effective Date, the future Asbestos Claims of Asbestos Claimants that are presently unknown, Present Asbestos Unsecured Claims, SBNP Asbestos Unsecured Claims, and Other SBNP Claims.
<i>Asbestos-Related Unsecured Claimants</i>	means the holders of Asbestos-Related Unsecured Claims.
<i>Bankruptcy Administrator</i>	means the Bankruptcy Administrator for the Bankruptcy Court.
<i>Bankruptcy Code</i>	means Title 11 of the United States Code, 11 U.S.C. § 101, <i>et seq.</i> as amended from time to time, as applicable to the Chapter 11 Case.
<i>Bankruptcy Court</i>	means the United States Bankruptcy Court for the Northern District of Alabama having jurisdiction over the Chapter 11 Case or the District Court exercising bankruptcy jurisdiction.
<i>Bankruptcy Estate</i>	means the estate of the Debtor created in the Chapter 11 Case pursuant to Section 541 of the Bankruptcy Code.
<i>Bankruptcy Professional</i>	means any Person (a) employed pursuant to an order of the Bankruptcy Court in accordance with Section 327 or 1103 of the Bankruptcy Code and to be compensated for services pursuant to Sections 327, 328, 329, 330 and/or 331 of the Bankruptcy Code, or (b) who wishes to apply to the Bankruptcy Court for compensation and reimbursement of expenses pursuant to Section 503(b) of the Bankruptcy Code.
<i>Bankruptcy Rules</i>	means the Federal Rules of Bankruptcy Procedure, as amended from time to time, promulgated by the United States Supreme Court under Section 2075 of Title 28 of the United States Code, and any applicable local rules of the Bankruptcy Court.
<i>Bar Date(s)</i>	means the date(s) fixed by order(s) of the Bankruptcy Court by which Persons required by such order to file a Proof of Claim must file a Proof of Claim or be forever barred from asserting such

Claim against the Debtor or its property and from voting on the Plan and/or sharing in distributions hereunder.

<i>Board of Directors</i>	means the board of directors of Reorganized Shook & Fletcher after the Effective Date.
<i>Board-certified Internist</i>	shall mean a physician currently licensed to practice medicine in the District of Columbia or in one or more U.S. states or territories and who is currently certified by the American Board of Internal Medicine in internal medicine.
<i>Board-certified Pathologist</i>	shall mean a physician currently licensed to practice medicine in the District of Columbia or in one or more U.S. states or territories and who holds primary certification in anatomic pathology, or combined anatomic and clinical pathology, from the American Board of Pathology, and whose professional practice includes the field of pathology and involves regular evaluation of pathological materials obtained from surgical and post-mortem specimens.
<i>Board-certified Pulmonary Specialist</i>	shall mean a physician currently licensed to practice medicine in the District of Columbia or in one or more U.S. states or territories and who is currently certified by the American Board of Internal Medicine in the sub-specialty of pulmonary disease.
<i>Bonded Claim</i>	means any Asbestos Claim relating to a judgment as to which, but only to the extent that, a supersedeas bond or similar security was posted by or on behalf of the Debtor, provided and to the extent that the Bankruptcy Court determines by Final Order, or the Trustee and the holder of such bonded Asbestos Claim agree, that such holder is entitled to some or all of (a) the proceeds of the supersedeas bond or other security including, as such supersedeas bond or other security may be increased by the Debtor pursuant to Final Order of the Bankruptcy Court, or (b) any other assets provided by the Debtor pursuant to Final Order of the Bankruptcy Court to protect adequately such holder.
<i>Business</i>	means the business of consulting with respect to the selection, placement and installation of specialty thermal insulation, and/or the installation, sale, distribution, handling and removal of the same, in commercial or industrial applications.
<i>Business Day</i>	means any day other than a Saturday, Sunday or legal holiday, as such term is defined in Bankruptcy Rule 9006.
<i>By-Laws</i>	means the By-Laws of Reorganized Shook & Fletcher, as the same may be modified from time to time.
<i>Cash</i>	means any legal tender of the United States of America and equivalents (including personal checks drawn on a bank insured by the Federal Deposit Insurance Corporation, certified checks and money orders and other readily marketable direct obligations of the United States of America and certificates of deposit issued by banks).
<i>Causes of Action</i>	means, without limitation, any and all rights, remedies, claims, causes of action, liabilities, obligations, suits, debts, sums of money, damages, judgments, and demands whatsoever, whether known or unknown, in law, equity, or otherwise which may be brought by or on behalf of the Debtor and/or the Bankruptcy Estate arising under any provision of the Bankruptcy Code or other applicable law.
<i>CCR</i>	means The Center for Claims Resolution, Inc.
<i>CCR Secured Claim</i>	means the Asbestos Claim of CCR against Shook & Fletcher which is liquidated in accordance with, and payable as and to the extent provided in, the CCR Settlement Agreement.
<i>CCR Settlement Agreement</i>	means that certain Agreement between CCR and Shook & Fletcher entered into as of December 7, 2001, as the same may be amended from time to time in accordance with its terms.
<i>Certificate of Incorporation</i>	means the Amended and Restated Certificate of Incorporation of Reorganized Shook & Fletcher, substantially in the form attached to the Plan as <i>Exhibit H</i> , as the same may be modified from time to time.

<i>Certified B-reader</i>	shall mean an individual who has successfully completed the x-ray interpretation course sponsored by the National Institute of Occupational Safety and Health (NIOSH) and passed the NIOSH examination for certification as a B-reader and whose NIOSH certification is up to date at the time of his or her interpretation of the x-rays. Certified B-reader shall also include an individual who was at one time a certified B-reader and who has not subsequently failed the exam for certification or recertification as a B-reader.
<i>Chapter 11 Case</i>	means the Debtor's case under Chapter 11 of the Bankruptcy Code administered in the Bankruptcy Court.
<i>Chest x-rays</i>	shall mean chest radiographs taken in at least one view and graded quality 1 or 2 for reading according to the criteria established by the International Labour Office. Notwithstanding the foregoing, in cases in which no quality 1 or 2 radiographs are available, radiographs of poorer quality shall not be automatically rejected but shall be evaluated for acceptability on a case-by-case basis, and all chest x-rays for which reports, including B-reader reports, are submitted may be examined.
<i>Claim</i>	means a claim against a Person or its property as defined in Section 101(5) of the Bankruptcy Code, including without limitation, (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, and which further shall include, but not be limited to, Asbestos Claims and interests (other than Equity Interests).
<i>Claimants Agreement</i>	means that certain Settlement Agreement between Shook & Fletcher and Various Asbestos Claimants (as defined in the Claimants Agreement) entered into by and through their counsel and/or agent, Joseph F. Rice, Esq., dated as of December 7, 2001, as the same may be amended from time to time in accordance with its terms.
<i>Claimants' Counsel</i>	means Joseph F. Rice, Esq.
<i>Claims-Handling Entity</i>	means the claims-handling entity designated pursuant to, and having the powers, duties and obligations set forth in, the Pre-Petition Trust Agreement.
<i>Class</i>	means a category of Person or Persons holding Claims or Equity Interests as set forth in Article III of the Plan.
<i>Collateral</i>	means any property or interest in property of the Bankruptcy Estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance, setoff or subordination under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable non-bankruptcy law.
<i>Collateral Account</i>	has the meaning given to such term in the CCR Settlement Agreement.
<i>Common Stock</i>	means the authorized, issued and outstanding Class A common stock, par value \$.0005 per share, of Shook & Fletcher.
<i>Compensable Disease Matrix</i>	means the matrix to be used to process and resolve CRP Valued Asbestos Claims, which associates Liquidated Values with certain Medical Criteria and Locations of Exposure, and which is located under the heading "Compensable Disease Matrix" in <i>Exhibit I</i> to the Plan.
<i>Confirmation Date</i>	means the date on which the Confirmation Order is entered by the Bankruptcy Court.
<i>Confirmation Hearing</i>	means the hearing held by the Bankruptcy Court to consider confirmation of the Plan pursuant to Section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.
<i>Confirmation Order</i>	means the order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

<i>Coverage Litigation</i>	means any civil action, arbitration or alternative dispute resolution proceeding or other legal proceeding in which Shook & Fletcher or the Trust seeks a determination of Shook & Fletcher's or the Trust's rights with respect to or the extent of insurance coverage, including insurance coverage for liability payments and defense costs, for or with respect to Asbestos Claims, and related issues.
<i>Creditor</i>	means a Person holding a Claim against Shook & Fletcher.
<i>CRP</i>	means the written asbestos claims resolution procedures established by the Trust with the consent of the TAC and the Futures Representative pursuant to the Trust Agreement, as the same may be modified from time to time.
<i>CRP Valued Asbestos Claim</i>	means any Asbestos-Related Unsecured Claim other than (i) the Other SBNP Claims, (ii) the Present Asbestos Unsecured Claims, and (iii) the SBNP Asbestos Unsecured Claims.
<i>Debtor</i>	means Shook & Fletcher, including Shook & Fletcher in its capacity as debtor in possession in the Chapter 11 Case pursuant to Sections 1101, 1107(a) and 1108 of the Bankruptcy Code.
<i>Demand</i>	means a demand for payment, present or future, that (a) was not a Claim during the Chapter 11 Case, (b) arises out of the same or similar conduct or events that gave rise to claims that constitute Asbestos Claims and (c) pursuant to the Plan is to be paid by the Trust, as defined in Section 524(g) of the Bankruptcy Code.
<i>Direct Action</i>	means any cause of action or right to bring a cause of action possessed by an Asbestos Claimant against an Asbestos Insurance Company on account of such Asbestos Claimant's Asbestos Claim, whether arising by contract or under the laws of any jurisdiction.
<i>Discharge Injunction</i>	means the injunction described in Section 11.5 of the Plan.
<i>Disclosure Statement</i>	means the disclosure statement relating to the Plan, including, without limitation, all exhibits and schedules thereto filed with the Bankruptcy Court in connection with the Plan pursuant to Section 1125 of the Bankruptcy Code.
<i>Disputed</i>	means, with respect to Administrative Expense Claims, Claims or Equity Interests, any such Claim or Equity Interest: <ul style="list-style-type: none"> <li>(a) that is listed in the Schedules as unliquidated, disputed or contingent; or</li> <li>(b) as to which the Debtor or any other party-in-interest has interposed a timely objection or request for estimation, or has sought to subordinate equitably or otherwise limit recovery in accordance with the Bankruptcy Code and Bankruptcy Rules, or which is otherwise disputed by the Debtor in accordance with applicable law, which objection, request for estimation, action to limit recovery or dispute has not been withdrawn, resolved or determined by Final Order.</li> </ul>
<i>Distribution Date</i>	means, when used with respect to an Allowed Claim (other than an Asbestos Claim), the later of: (a) the Effective Date, and (b) ten (10) Business Days after the date upon which the Claim became or becomes Allowed.
<i>District Court</i>	means the United States District Court for the Northern District of Alabama, or the unit thereof having jurisdiction over the matter in question.
<i>Effective Date</i>	means no later than the first Business Day at least thirty days after the Confirmation Date and at least one Business Day after all of the conditions specified in Section 6.2 of the Plan have been satisfied or waived in accordance with the terms of the Plan.
<i>Entity</i>	means any Person, estate, trust, Governmental Unit, or the Bankruptcy Administrator.
<i>Environmental Law</i>	means (a) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601, <i>et seq.</i> , (b) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid

Waste Amendment of 1984, 42 U.S.C. §§ 6901, *et seq.*, (c) the Clean Air Act 42 U.S.C. §§ 7401, *et seq.* (d) the Clean Water Act of 1977, 33 U.S.C. §§ 1251, *et seq.*, (e) the Toxic Substances Control Act, 15 U.S.C. §§ 2601, *et seq.*, (f) all statutes or laws issued or promulgated by any Governmental Unit, as they may be amended from time to time, relating to environmental contamination or pollution, air pollution, water pollution, noise control and/or the handling, discharge, existence, release, disposal or recovery of on-site or off-site hazardous, toxic or dangerous wastes, substances, chemicals or materials, and (g) the ordinances, rules, regulations, orders, notices of violation, requests, demands and requirements issued or promulgated by any Governmental Unit in connection with such statutes or laws.

*Equity Interests*

all of the outstanding shares of Common Stock, of which 128,423 shares are held by Mr. Killion and 105,000 shares are held by Dr. Killion.

*Escrow Agent*

means the Escrow Agent appointed pursuant to the Plan by the Debtor and the Asbestos Claimants Committee, serving in accordance with Section 1 of the Escrow Agreement and having the powers, duties and obligations set forth in the Escrow Agreement.

*Escrow Agreement*

means the Escrow Agreement by and among the Trust, Wayne W. Killion, Sr., Wayne W. Killion, Jr., Shook & Fletcher, and the Escrow Agent, substantially in the form attached to the Plan as *Exhibit G*, as the same may be modified from time to time.

*Event of Default*

has the meaning given to such term in the Promissory Note.

*Executory Contracts*

means all contracts and unexpired leases to which the Debtor is a party and which are executory within the meaning of Section 365 of the Bankruptcy Code.

*Final Order*

means an order or judgment of a court (entered before or after the Effective Date) as to which the time to appeal, petition for *certiorari* or move for reargument or rehearing has expired and as to which no appeal, petition for *certiorari*, or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for *certiorari*, reargue, or rehear shall have been waived in writing in form and substance satisfactory to the Debtor or Reorganized Shook & Fletcher or, in the event that an appeal, writ of *certiorari*, or reargument or rehearing thereof has been sought, such order or judgment of such court shall have been determined by the highest court to which such order was appealed, or *certiorari*, reargument or rehearing shall have been denied and the time to take any further appeal, petition for *certiorari* or move for reargument or rehearing shall have expired; provided however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

*Futures Representative*

means the Futures Representative for the holders of Asbestos Claims and Demands who are presently unknown, who shall be R. Scott Williams, Esq., or his duly appointed successor, who is to protect the rights of Persons who might assert Demands.

*Glossary*

means this Second Amended Glossary of Terms for the Plan Documents pursuant to the Second Amended Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code for Shook & Fletcher Insulation Co., as the same may be modified from time to time.

*Governmental Unit*

has the meaning set forth in Section 101(27) of the Bankruptcy Code.

*Hartford*

means Hartford Financial Services Group, Inc., First State Insurance Company, Excess Insurance Company, Ltd., and each of their subsidiaries, parents, holding companies, divisions, affiliates, predecessors, merged companies, acquired companies, directors, officers, shareholders, agents, employees, assigns and future successors in interest. "Hartford" includes without limitation each of the insurance companies and entities identified in Appendix A, attached to the Hartford Agreement. Notwithstanding anything herein to the contrary, "Hartford" does not include any insurer or other natural or legal person or entity (1) which, after the effective date of the Hartford Agreement, acquires Hartford, (2) in which Hartford, after the effective date of the Hartford Agreement, acquires a controlling interest, (3) which, after the effective date of the Hartford Agreement, merges into Hartford, or (4) to which Hartford, after the effective date of the Hartford Agreement otherwise becomes affiliated or combined, but all only to the extent that such other insurer or natural or legal person or entity independently issued insurance policies to Shook & Fletcher.

<i>Hartford Agreement</i>	means that certain Insurance Settlement Agreement between Shook & Fletcher and Hartford dated as of December 12, 2001, as the same may be amended from time to time in accordance with its terms.
<i>Hartford Policies</i>	means any and all liability insurance policies, known or unknown, alleged or confirmed, primary, umbrella, excess or otherwise, (a) issued or allegedly issued to Shook & Fletcher by Hartford prior to the effective date of the Hartford Agreement, or (b) issued or allegedly issued prior to the effective date of the Hartford Agreement to a Person other than Shook & Fletcher by Hartford under which Shook & Fletcher may be insured or claim to be insured. "Hartford Policies" include without limitation the insurance policies identified on Appendix C attached to the Hartford Agreement.
<i>ILO Grade</i>	shall mean the radiology ratings for the presence of pleural or parenchymal lung changes by chest x-rays as established from time to time by the International Labour Office (ILO) and as set forth in "Guidelines for the Use of ILO International Classification of Radiographs of Pneumoconioses" (1980).
<i>Impaired Class</i>	means a Class that is impaired within the meaning of Section 1124 of the Bankruptcy Code.
<i>Indirect Asbestos Claim</i>	means (i) any Claim based on a right of contribution, reimbursement, subrogation, indemnity, or verile share (as those terms are defined by the non-bankruptcy law of any relevant jurisdiction) arising in connection with or by reason of or related to a direct Asbestos Claim or another Indirect Asbestos Claim (including without limitation any Claim arising under the Wellington Agreement), (ii) any other derivative or indirect Claim of any kind whatsoever, whether in the nature of or sounding in contract, tort, warranty or any other theory of law, equity or admiralty, arising in connection with or by reason of or related to a direct Asbestos Claim or another Indirect Asbestos Claim (including without limitation any Claim (A) for attorneys fees arising or incurred in connection with any direct Asbestos Claim, another Indirect Asbestos Claim or an Asbestos Insurance Action or (B) arising in connection with or related to the rejection of any Executory Contract related to or involving asbestos), and (iii) any Claim arising out of Asbestos Insurance Policies or settlement agreements related thereto.
<i>Indirect Asbestos Claimant</i>	means the holder of an Indirect Asbestos Claim.
<i>Initial Claims Reviewer</i>	means MFR Consulting Services, Inc.
<i>Injunctions</i>	means the Discharge Injunction, the Supplemental Injunction, the Third Party Injunction, the Settling Asbestos Insurance Company Injunction, and any other injunctions entered by order of the Bankruptcy Court or the District Court in the Chapter 11 Case.
<i>IRC</i>	means the Internal Revenue Code of 1986, as amended.
<i>Lien</i>	has the meaning set forth in Section 101(37) of the Bankruptcy Code.
<i>Liquidated Value</i>	means (i) with respect to any CRP Valued Asbestos Claim, the settlement value therefor determined under the CRP (including the values associated with a particular Asbestos-Related Disease Category and a particular Location of Exposure set forth in the Compensable Disease Matrix, as the same may be modified from time to time), (ii) with respect to any Present Asbestos Unsecured Claim, the settlement amount in respect thereof established pursuant to or determined under the Claimants Agreement, (iii) with respect to any SBNP Asbestos Unsecured Claim, the settlement amount in respect thereof established pursuant to or determined under the SBNP Settlement Agreement, and (iv) with respect to any Other SBNP Claim, the settlement amount therefor established pursuant to or determined under the applicable settlement agreement governing such Other SBNP Claim.
<i>Location of Exposure</i>	means the state in which the holder of a CRP Valued Asbestos Claim was exposed to asbestos, which exposure gave rise to such holder's CRP Valued Asbestos Claim.
<i>Medical Criteria</i>	means the medical criteria applicable to an associated Asbestos-Related Disease Category and located under the heading "Medical Criteria" in <i>Exhibit I</i> to the Plan.

<i>Non-Compensatory Damages</i>	means any and all damages awarded by a court of competent jurisdiction that are penal in nature, including, without limitation, punitive, exemplary, vindictive, imaginary, or presumptive damages.
<i>Occupational Physician</i>	shall mean a physician specializing in the diagnosis and treatment of lung disease and who is currently licensed to practice medicine in any state of the United States, the District of Columbia or any U.S. territory.
<i>Operational Assets</i>	means all of the assets and properties of Shook & Fletcher, including without limitation all assets and properties used or useful in the ordinary course in the conduct of the Business as presently conducted by Shook & Fletcher and as to be conducted by Reorganized Shook & Fletcher after the Effective Date, and all Cash, real property, tangible personal property and intangible personal property of Shook & Fletcher, but excluding the Trust Assets.
<i>Ordinary Course Professional</i>	means any attorney, accountant or other professional (other than a Bankruptcy Professional), employed by Shook & Fletcher during the Chapter 11 Case pursuant to an order of the Bankruptcy Court that designates such professional as an "Ordinary Course Professional."
<i>Other SBNP Claims</i>	means Asbestos Claims that are eligible for inclusion under the SBNP Settlement Agreement but whose holders have not become "SBNP Claimants" under (and as defined in) the SBNP Settlement Agreement in an amount equal to Shook & Fletcher's share of the amount provided for in their respective settlement agreements.
<i>Person</i>	means any person, individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated association or organization, or other entity or being of whatever kind, whether or not operating or existing for profit, including, but not limited to, any "person" as such term is defined in Section 101(41) of the Bankruptcy Code, but excluding any Governmental Unit or agency or political subdivision thereof, and any successors or assigns of any of the foregoing.
<i>Petition Date</i>	means the date on which Shook & Fletcher will commence the Chapter 11 Case by filing a voluntary petition for relief with the Bankruptcy Court pursuant to the Bankruptcy Code.
<i>Plan</i>	means the Second Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of Shook & Fletcher Insulation Co., including, without limitation, all exhibits, schedules, supplements, and appendices thereto, either in its present form or as the same may be altered, amended or modified from time to time.
<i>Plan Documents</i>	means the Plan and all documents, attachments and exhibits thereto, including but not limited to, the Trust Agreement, the Promissory Note, the Pledge Agreement, the Escrow Agreement, and any amendments thereto made in accordance with the Bankruptcy Code, that aid in effectuating the Plan, which documents, attachments, and exhibits shall be filed by the Debtor with the Bankruptcy Court.
<i>Plan Proponent</i>	means Shook & Fletcher.
<i>Pledge Agreement</i>	means the Pledge Agreement by and among Wayne W. Killion, Sr., Wayne W. Killion, Jr. and the Trust, substantially in the form attached to the Plan as <i>Exhibit F</i> , as the same may be modified from time to time.
<i>Pre-Petition Trust</i>	means the Shook Payment Trust created pursuant to the Pre-Petition Trust Agreement.
<i>Pre-Petition Trust Agreement</i>	means that certain Trust Agreement entered into by and between Shook & Fletcher and the Pre-Petition Trustee dated as of December 7, 2001, in the form attached to the Plan as <i>Exhibit B</i> , as amended by the Amendment to Trust Agreement attached to the Plan as <i>Exhibit C</i> , as each of the same may be amended from time to time in accordance with its respective terms.
<i>Pre-Petition Trustee</i>	Hasbrouck Haynes, Jr., CPA, in his capacity as trustee of the Pre-Petition Trust, and not individually, or his duly appointed successor.

<i>Present Asbestos Claims</i>	means all Present Asbestos Secured Claims and all Present Asbestos Unsecured Claims.
<i>Present Asbestos Claimant</i>	means the holder of a Present Asbestos Claim.
<i>Present Asbestos Secured Claim</i>	means the portion of an Asbestos Claim asserted prior to the Petition Date and liquidated pursuant to and in accordance with the Claimants Agreement that is secured by the Asbestos Insurance Collateral pursuant to and in accordance with the Claimants Agreement and the Security Agreement.
<i>Present Asbestos Secured Claimant</i>	means the holder of a Present Asbestos Secured Claim.
<i>Present Asbestos Unsecured Claim</i>	means the portion of an Asbestos Claim asserted prior to the Petition Date and liquidated pursuant to and in accordance with the Claimants Agreement that, pursuant to the terms of the Claimants Agreement, is not secured by the Asbestos Insurance Collateral.
<i>Present Asbestos Unsecured Claimant</i>	means the holder of a Present Asbestos Unsecured Claim.
<i>Present Claimants Security Amount</i>	means the lesser of (i) the sum of \$63.6 million or (ii) seventy-five percent (75%) of the aggregate of all amounts for which Present Asbestos Claims are compromised and settled under the Claimants Agreements and Allowed under the Plan.
<i>Prime Rate</i>	means the prime rate of interest reported by The Wall Street Journal.
<i>Priority Claim</i>	means any and all Claims, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under Section 507(a) of the Bankruptcy Code.
<i>Priority Tax Claim</i>	means any Claim of a Governmental Unit of the kind specified in Section 502(i) of the Bankruptcy Code entitled to priority under Section 507(a)(8) of the Bankruptcy Code.
<i>Promissory Note</i>	means the Promissory Note made by Reorganized Shook & Fletcher and Shook & Fletcher Supply in favor of the Trust as of the Effective Date in the original principal amount of \$3,000,000, substantially in the form attached to the Plan as <i>Exhibit E</i> as the same may be modified from time to time.
<i>Proof of Claim</i>	means any proof of claim filed with the Bankruptcy Court or its duly appointed claims agent with respect to the Debtor pursuant to Bankruptcy Rules 3001 or 3002.
<i>Pro-Rata Share</i>	means a proportionate share, so that the ratio of the consideration distributed on account of an Allowed Claim or Equity Interest in a Class to the amount of such Allowed Claim or Equity Interest is the same as the ratio of the amount of the consideration distributed on account of all Allowed Claims or Equity Interests in the Class of which such particular Allowed Claim or Equity Interest is a member to the amount of all Allowed Claims or Equity Interests in such Class.
<i>Protected Party</i>	means any of the following parties: <ul style="list-style-type: none"> <li>(a) the Debtor, Reorganized Shook &amp; Fletcher, Shook &amp; Fletcher Supply, the Asbestos Claimants Committee, Claimants' Counsel, the Futures Representative, and the TAC, and any of their present, former and post-Confirmation Date Affiliates, officers, directors, shareholders, agents, employees, members, representatives, advisors, financial advisors, accountants and attorneys;</li> <li>(b) the Trust, and any of its trustees, officers, directors, agents, employees, representatives, advisors, financial advisors, accountants and attorneys;</li> <li>(c) the Pre-Petition Trust, and any of its trustees, officers, directors, agents, employees, representatives, advisors, financial advisors, accountants, and attorneys;</li> </ul>

(d) any Entity that, pursuant to the Plan or after the Confirmation Date, becomes a direct or indirect transferee of, or successor to, Reorganized Shook & Fletcher; and

(e) each Settling Asbestos Insurance Company.

*Provision For CCR*

means that either (i) the Collateral Account has been established and funded in accordance with Section V.B. of the CCR Settlement Agreement or (ii) the CCR Secured Claim has been paid in full.

*Qualified Physician*

shall mean any Board-certified Pathologist, Board-certified Internist, Board-certified Pulmonary Specialist, or Occupational Physician, and for purposes of x-ray interpretation any Certified B-reader.

*Released Claims*

means any and all (a) Claims, liabilities or Causes of Action related to any and all intercompany dealings between Shook & Fletcher and its Affiliates, including any and all Claims of any nature arising out of or related to Asbestos Claims or Asbestos Claimants, and (b) past, present and future Claims, Demands, liabilities or Causes of Action against the Debtor, Shook & Fletcher, Shook & Fletcher Supply or any of their affiliates including without limitation each of their past, present and future parents, subsidiaries, affiliates, predecessors and successors and the past, present and future employees, officers, directors, principals, agents, representatives, shareholders and the assigns of each of the foregoing (the "Insurance Related Parties") relating to insurance or the placement of insurance coverage, under which any of the Insurance Related Parties were insureds or additional insureds, and (c) past, present and future Claims, Demands, liabilities or Causes of Action against any Settling Asbestos Insurance Company under, arising from or related to any insurance policies under which any of the Insurance Related Parties is or claims to be entitled to insurance, rights or benefits (a "Settled Policy") including, without limitation, those arising from or related to (i) the Wellington Agreement; (ii) the insurance relationship between a Settling Asbestos Insurance Company and any of the Insurance Related Parties; (iii) the obligations of a Settling Asbestos Insurance Company to an Insurance Related Party or any other Person as a result of (aa) issuance of a Settled Policy or entry by a Settling Asbestos Insurance Company into the Wellington Agreement, (bb) the handling of Claims against any of the Insurance Related Parties, (cc) the defense or trial of Claims against any of the Insurance Related Parties, or (dd) the settlement of Claims against any of the Insurance Related Parties; (iv) any acts or omissions by any Settling Asbestos Insurance Company arising from or relating to a Settled Policy; (v) loss prevention or engineering acts or omissions by a Settling Asbestos Insurance Company with respect to any Settled Policy; (vi) the placement of insurance coverage; or (vii) any actual or alleged bad faith, fraud, unfair competition, breach of contract, breach of the duty of good faith and fair dealing, violation of insurance statute or regulation or extra-contractual liability of any kind, type or description in connection with any of the above and including, without limitation, any claim that arises under or from the laws, whether statutory, common or otherwise, of one or more of the fifty (50) states or any other jurisdiction. Further, this release extends to any and all claims, Demands, liabilities or Causes of Action by any of the Insurance Related Parties or any other Person against any Settling Asbestos Insurance Company under, arising from, or relating to a Settled Policy for economic loss, general damages, punitive damages and attorneys fees, or any Claims, Demands, liabilities or Causes of Action under, arising from or related to the resolution of insured claims under which any of the Insurance Related Parties is or was an insured or additional insured, including the management, negotiation, litigation, settlement or disposition of such coverage. The Released Claims exclude any claims, liabilities or Causes of Action related to the Supply Line of Credit Agreement or in relation to (a) surety bonds numbered 101115466, 100834564, 100834570, 0765S100834565BCA and 076S100967575BCM issued by Travelers, and (b) any surety bond issued by any Settling Asbestos Insurance Company other than Travelers to any of the Insurance Related Parties.

For the purposes of the definition of "Released Claims", "Claim" includes the assertion of any right, including but not limited to all past, present and future claims, complaints, cross-complaints, counterclaims, affirmative defenses, writs, demands, inquiries, requests, suits, lawsuits, rights, actions, damages, liens, contracts, indemnity or defense obligations, agreements, promises, liabilities, judgments, settlements, losses, costs, expenses, administrative proceedings, governmental actions or other Causes of Action or orders, whether known or unknown, asserted or unasserted, foreseen or unforeseen, fixed or contingent, direct or indirect, whether in law, equity,

admiralty or otherwise, and shall include, without limitation, any Asbestos Claims and all claims of any nature arising out of, or related to, Asbestos Claims or Asbestos Claimants.

<i>Released Debtor Parties</i>	means the Debtor, Reorganized Shook & Fletcher and its and their present and former officers, directors, employees, shareholders, accountants, attorneys, advisors, agents, financial advisors, investment bankers, successors, assigns and legal representatives.
<i>Released Non-Debtor Parties</i>	means (a) the Asbestos Claimants Committee, its members, representatives, professionals, and experts, (b) the Futures Representative, his or her professionals and experts, (c) the TAC and their professionals and experts and (d) the Settling Asbestos Insurance Companies, named in the Confirmation Order and subject to the terms of the Asbestos Insurance Settlement Agreement to which such Settling Asbestos Insurance Company is a party.
<i>Released Party</i>	means each of the Released Debtor Parties and the Released Non-Debtor Parties.
<i>Reorganized Shook &amp; Fletcher</i>	means Shook & Fletcher and/or any successor thereto by merger, consolidation or otherwise, on and after the Effective Date.
<i>SBNP Asbestos Claims</i>	means all SBNP Asbestos Secured Claims and SBNP Asbestos Unsecured Claims.
<i>SBNP Asbestos Claimant</i>	means the holder of an SBNP Asbestos Claim.
<i>SBNP Asbestos Secured Claim</i>	means an Asbestos Claim asserted prior to the Petition Date (i) the amount of which is established pursuant to and in accordance with Section I.B.(1) of the SBNP Settlement Agreement and which is fully secured by the Asbestos Insurance Collateral pursuant to and in accordance with the SBNP Settlement Agreement and the Security Agreement, or (ii) the amount of which is established pursuant to and in accordance with Section I.B.(2) of the SBNP Settlement Agreement, seventy-five percent (75%) of which is secured by the Asbestos Insurance Collateral pursuant to and in accordance with the SBNP Settlement Agreement and the Security Agreement.
<i>SBNP Asbestos Secured Claimant</i>	means the holder of a SBNP Asbestos Secured Claim (each of whom is identified on Exhibit I to an Adoption Form executed prior to the SBNP Deadline in conjunction with the SBNP Settlement Agreement).
<i>SBNP Asbestos Unsecured Claim</i>	means twenty-five percent (25%) of an Asbestos Claim asserted prior to the SBNP Deadline, the amount of which Asbestos Claim is established pursuant to and in accordance with Section I.B.(2) of the SBNP Settlement Agreement and that, pursuant to Section I.B.(2) of the SBNP Settlement Agreement, is not secured by the Asbestos Insurance Collateral.
<i>SBNP Asbestos Unsecured Claimant</i>	means the holder of a SBNP Asbestos Unsecured Claim (each of whom is identified on Exhibit I to an Adoption Form executed prior to the SBNP Deadline in conjunction with the SBNP Settlement Agreement).
<i>SBNP Deadline</i>	means March 1, 2002, unless such date is extended in writing by Shook & Fletcher, in which case the SBNP Deadline shall be such extended date.
<i>SBNP Settlement Agreement</i>	means that certain Amended Settlement Agreement between Shook & Fletcher, and the individuals identified as SBNP Asbestos Claimants, which is expected to be entered into prior to the SBNP Deadline, as the same may be amended from time to time in accordance with its terms.
<i>Schedules</i>	means any schedules of assets and liabilities, the list of holders of interests and the statement of financial affairs that may be filed by the Debtor pursuant to Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as may be supplemented or amended from time to time.
<i>Secured Claim</i>	means any Claim that is (a) secured in whole or part, as of the Petition Date, by a Lien which is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, or (b) subject to setoff under Section 553 of the Bankruptcy Code, but, with respect to both (a) and (b) above, only to the extent of the value,

net of any senior Lien, of the Bankruptcy Estate's interest in the assets or property securing any such Claim or the amount subject to setoff, as the case may be.

*Security Agreement*

means that certain Security Agreement and Assignment by and between Shook & Fletcher and the Pre-Petition Trustee dated as of December 7, 2001, as the same may be amended from time to time in accordance with its terms.

*Settlement Professionals'  
Secured Claims*

means the Asbestos Claims of each of the Claimant's Counsel, the Shook Professionals, and the Claims Handling Entity which are specified in the Pre-Petition Trust Agreement and secured by the Asbestos Insurance Collateral pursuant to the Security Agreement.

*Settling Asbestos  
Insurance Company*

means any Asbestos Insurance Company that enters into an Asbestos Insurance Settlement Agreement and that is listed on a schedule filed by Shook & Fletcher with the Bankruptcy Court prior to the conclusion of the Confirmation Hearing, and includes the past, present and future parents, subsidiaries, affiliates, predecessors, successors, assigns, employees, officers, directors, principals, agents, representatives and shareholders of the Entities listed on the schedule, but shall not include any Entity that first becomes a parent, subsidiary or affiliate of the Entities on the schedule (or any past, present or future employees, officers, directors, principals, agents, representatives, shareholders and assigns of such Entity) after the Effective Date, to the extent such Entity issued insurance policies to any Shook Releasee (but only with respect to such policies issued by such Entity).

*Settling Asbestos Insurance  
Company Injunction*

means the injunction described in Section 11.6(c) of the Plan.

*Shook & Fletcher*

means the Debtor, Shook & Fletcher Insulation Co., a Delaware corporation.

*Shook & Fletcher Supply*

mean Shook & Fletcher Supply Co. of Alabama, Inc., a Delaware corporation.

*Shook Professionals*

means Gilbert Heintz & Randolph LLP and MFR Consulting Services, Inc.

*SouthTrust Bank*

means SouthTrust Bank, National Association.

*Stockholders*

means Mr. Wayne W. Killion and Dr. Wayne W. Killion, Jr.

*Supplemental Injunction*

means the injunction described in Section 11.6(a) of the Plan.

*Supply Line of Credit  
Agreement*

means that certain Loan and Security Agreement, dated as of December 17, 2001, by and between the Debtor and Shook & Fletcher Supply, as the same may be amended from time to time in accordance with its terms.

*Supply Secured Claim*

means any indebtedness incurred by the Debtor for funds advanced by Shook & Fletcher Supply to the Debtor in accordance with the Supply Line of Credit Agreement.

*Third Party Claim*

means any Claim, "Claim" as defined in relation to "Released Claims" or demand of any Entity which has held or asserted, which holds or asserts, or which may in the future hold or assert, such Claim or demand against the Protected Parties (or any of them) based upon, relating to, arising out of, or in any way connected with any Asbestos Claim or any Released Claim.

*Third Party Injunction*

means the injunction described in Section 11.6(b) of the Plan.

*Trust*

means the Shook & Fletcher Asbestos Settlement Trust established pursuant to the Trust Agreement.

<i>Trust Advisory Committee or TAC</i>	means the Persons described in Article 6 of the Trust Agreement for the purpose of advising the Trust in accordance with the terms and conditions set forth in the Trust Documents, the Plan and the Confirmation Order.
<i>Trust Agreement</i>	means that certain Shook & Fletcher Asbestos Settlement Trust Agreement, effective as of the Effective Date, substantially in the form attached to the Plan as <i>Exhibit D</i> , as the same may be modified from time to time.
<i>Trust Assets</i>	means (i) the Promissory Note, (ii) \$300,000 in Cash, (iii) if and when the conditions to the distribution of the Common Stock by the Escrow Agent to the Trust as set forth in the Pledge Agreement are satisfied, the Common Stock, and (iv) upon payment in full of all Asbestos-Related Secured Claims (other than the CCR Secured Claim) by or on behalf of the Pre-Petition Trust, Provision For CCR, and payment of or provision for all then accrued and unpaid Trust Expenses of the Pre-Petition Trust, all of the assets and properties then held by the Pre-Petition Trust (including the Pre-Petition Trust's interest in assets that constituted Asbestos Insurance Collateral prior to the termination of the Security Agreement) and all of the following assets and properties of the Debtor and/or the Pre-Petition Trust (and all interest, proceeds, and investment income accrued thereon and all proceeds thereof) (a) any and all Asbestos Insurance Rights, (b) the CCR Settlement Agreement, the Security Agreement, the Asbestos Claims Settlement Agreements, the Hartford Agreement, and the Wellington Agreement, together with all Causes of Action arising under the foregoing agreements, including Causes of Action for contribution and indemnity, (c) the proceeds of the Asbestos Insurance Settlement Agreements, (d) the proceeds of the Asbestos In-Place Insurance Coverage, (e) the proceeds of the Asbestos Insurance Actions, (f) the Asbestos Insurance Action Recoveries, and (g) the Collateral Account.
<i>Trust By-Laws</i>	means the Shook & Fletcher Asbestos Settlement Trust By-Laws, effective as of the Effective Date, substantially in the form attached as <i>Annex A</i> to the Trust Agreement, as the same may be modified from time to time.
<i>Trust Documents</i>	means the Trust Agreement, the Trust By-Laws, the CRP and the other agreements, instruments and documents governing the establishment and administration of the Trust, as the same may be amended or modified from time to time in accordance with such Trust Documents.
<i>Trust Expenses</i>	means (a) with respect to the Trust, any of the Asbestos Expenses, and any other liabilities, costs or expenses of, or imposed upon, assumed by, or in respect of the Trust, including operational expenses necessary to preserve the Trust Assets and any and all attorneys' fees or other professional fees, and expenses and disbursements incurred by or on behalf of Reorganized Shook & Fletcher, if any, in connection with the pursuit of Shook & Fletcher's asbestos-related insurance coverage (but excluding payments due to Asbestos Claimants on account of such Asbestos Claimant's Asbestos Claim) and (b) with respect to the Pre-Petition Trust, all Administrative Expenses (as defined in the Pre-Petition Trust Agreement) of the Pre-Petition Trust and any and all attorney's fees or other professional fees, and expenses and disbursements incurred by or on behalf of Shook & Fletcher or Reorganized Shook & Fletcher in connection with the pursuit of Shook & Fletcher's asbestos-related insurance coverage (but excluding payments due to Asbestos Claimants on account of such Asbestos Claimant's Asbestos Claim).
<i>Trust Termination Date</i>	means that certain date upon which the Trust shall automatically terminate pursuant to Article 7.2 of the Trust Agreement.
<i>Trustee</i>	means the Person or Persons described in and determined pursuant to Article 4 of the Trust Agreement for the purpose of acting as trustee (or if more than one Trustee is authorized, trustees) of the Trust in accordance with the terms and conditions contained in the Trust Documents, the Plan and the Confirmation Order.
<i>Trusts</i>	means collectively the Pre-Petition Trust and the Trust.
<i>Unsecured Operational Claim</i>	means any Claim against Shook & Fletcher (regardless of whether such Claim is covered by insurance) that arises from or is related to the operation of the Business as presently conducted by Shook & Fletcher which expressly includes (i) intercompany Claims (other than the Supply Secured Claim), and (ii) Claims arising from the provision of goods or services to the Debtor prior

to the Petition Date, to the extent that such Claims in (i) and (ii) above are neither secured nor entitled to priority under the Bankruptcy Code or a Final Order of the Bankruptcy Court, and which expressly excludes Administrative Expense Claims and all Asbestos Claims (including Asbestos-Related Secured Claims and Asbestos-Related Unsecured Claims).

*Voting Agent*

means Logan & Company or such other voting agent as may be designated by Shook & Fletcher.

*Wellington Agreement*

means the Agreement Concerning Asbestos-Related Claims dated as of June 19, 1985 by and among the signatories thereto, as amended.

## TRUST AGREEMENT

This irrevocable trust agreement (the “Trust Agreement” or “Agreement”) is entered into by and between Shook & Fletcher Insulation Co. (“Shook”) and Hasbrouck Haynes, Jr., CPA (the “Trustee”) (collectively, the “Parties”).

### RECITALS

WHEREAS, Shook, contemporaneously herewith, is executing the following settlement agreements: the Settlement Agreement Between Shook & Fletcher Insulation Co. and Various Asbestos Claimants (the “Claimant Agreement”), the Settlement Agreement Between Shook & Fletcher Insulation Co. and Various Settled Asbestos Claimants (the “SBNP Claimant Agreement”), the Agreement Between Shook & Fletcher Insulation Co. and the Center for Claims Resolution, Inc. (“CCR”) (the “CCR Agreement”), and the Insurance Settlement Agreement Between Shook & Fletcher Insulation Co. and Hartford Financial Services Group, Inc. (the “Shook/Hartford Agreement”) (collectively, the “Settlement Agreements”); and

WHEREAS, Shook intends to establish a trust (the “Trust”), for, among other lawful purposes not inconsistent with this Agreement, distributing proceeds of certain insurance policies issued to Shook in accordance with the Claimant Agreement, the SBNP Claimant Agreement, the CCR Agreement, and the Shook/Hartford Agreement; and

WHEREAS, Shook intends to use its reasonable best efforts to qualify the Trust as a Qualified Settlement Fund pursuant to Section 468B of the Internal Revenue Code of 1986, as amended (“QSF”); and

WHEREAS, Shook has asked the Trustee (as defined below) to act as trustee of the Trust, and the Trustee has agreed to accept this appointment under the terms hereof; and

WHEREAS, the Parties desire to enter into this Agreement to confirm their agreements with respect to (i) the establishment, maintenance, investment and disbursement of the Trust Assets (as defined below); and (ii) certain other matters relating to the foregoing, as hereafter provided.

NOW, THEREFORE, the Parties hereby agree as follows:

### AGREEMENT

#### I. ESTABLISHMENT OF TRUST

A. Creation and Name. The Parties hereby create the Trust known as the “Shook Payment Trust,” which is the “Trust” provided for and referred to in the Settlement Agreements. The Trustee may transact the business and affairs of the Trust in the name “Shook Payment Trust.”

B. Purpose. The purpose of the Trust is to hold security interests in certain assets of Shook, to receive proceeds of the assets subject to such security interests in accordance with the terms hereof, to pay amounts owed by Shook to various parties to the Settlement Agreements, and otherwise to meet the purposes and requirements stated in the Settlement Agreements.

#### II. PAYMENT OF CLAIMS AND TRUST ADMINISTRATION

A. Qualified Claims. The Shook/Hartford Agreement provides for direct payments to Qualified Claimants (as defined herein) and for payments into the Trust. The following persons and entities shall be qualified claimants (“Qualified Claimants”) entitled to receive payment from the Trust to the extent they do not receive direct payments from Hartford pursuant to the Shook/Hartford Agreement:

(i) Each Participating Claimant, upon the date that the Claims Reviewer notifies the Trust that such individual has satisfied the requirements to qualify as a Participating Claimant, and in the amount of the secured portion of the Participating Claimant’s Settlement Amount. Each Participating Claimant under the Claimant Agreement shall have a secured claim (the “Claimant’s Secured Claim”) equal to the lesser of (a) the Participating Claimant’s Settlement Amount under the Claimant Agreement multiplied by a fraction, the numerator of which is \$63.6 million and the denominator of which is the aggregate amount of all Participating Claimants’ Settlement Amounts or (b) seventy-five percent (75%) of the Participating Claimant’s Settlement Amount. Each Claimant’s Secured Claim is reduced by the amount of all payments received from the Trust or any successor trust or received directly or indirectly from the Hartford Financial Services Group, Inc. (“Hartford”) pursuant to the Shook/Hartford Agreement and may be adjusted as the aggregate amount of all Participating Claimants’ Settlement Amounts increases. Capitalized terms used in this Section II.A(i) shall have the same meaning and be subject to the same conditions as in the Claimant Agreement.

(ii) Each SBNP Claimant who has adopted the SBNP Claimant Agreement in accordance with its terms, and in the amount of the SBNP Claimants’ Settlement Amount, which shall be the amount reflected in Exhibit 1 to the Adoption Form by which such SBNP Claimant adopted the SBNP Claimant Agreement. Each SBNP Claim is fully secured. Each SBNP Claim is

## EXHIBIT B TO THE PLAN

reduced by the amount of all payments received from the Trust, directly or indirectly from Hartford pursuant to the Shook/Hartford Agreement, or from any trust formed pursuant to a confirmed plan of reorganization. Capitalized terms used in this Section II.A(ii) shall have the same meaning and be subject to the same conditions as in the SBNP Claimant Agreement.

(iii) CCR Payees as defined in the CCR Agreement, with their claim being the Settlement Amount as specified in and subject to all of the terms of the CCR Agreement.

(iv) Joseph F. Rice, Esq. ("Rice"), who shall be entitled to a fee of \$3,000,000.00 for his role in negotiating and implementing the Settlement Agreements.

(v) Gilbert Heintz & Randolph LLP and MFR Consulting Services, Inc. (collectively, "Shook Professionals"), which collectively shall be entitled to a fee of \$1,000,000.00 in excess of all amounts previously paid by Shook to such professionals at the date of execution hereof for their role in negotiating and implementing the Settlement Agreements.

(vi) A claims-handling entity ("Claims-Handling Entity") as designated by Shook after consultation with Claimants' Counsel (as defined in the Claimant Agreement), which shall be paid \$8.00 for each claim of a Participating Claimant (as defined in the Claimant Agreement) that is processed.

(vii) Hartford (as defined in the Shook/Hartford Agreement), to the extent Hartford is entitled under the terms of the Shook/Hartford Agreement to return of income earned by the Trust on payments made by Hartford.

### B. Payment of Qualified Claims. The Trustee shall make payments as follows:

(i) Upon receipt of the first payment made by Hartford to the Trustee pursuant to the Shook/Hartford Agreement, the Trustee shall begin making payments to each Participating Claimant. Some Participating Claimants may have already received payments directly or indirectly from Hartford pursuant to the Shook/Hartford Agreement. To the extent a Participating Claimant has not already received such payment from Hartford, such Participating Claimant shall be paid an amount equal to the Participating Claimant's Settlement Amount multiplied by a fraction with the following characteristics: (a) the numerator is the Initial Payment (as defined in the Shook/Hartford Agreement) less one-half of the fee earned by Rice, one-half of the fee earned by the Shook Professionals, and any reserve for Administrative Expenses (the "Initial Distribution Amount") and (b) the denominator of which is \$100 million;

(ii) Upon receipt of the first payment made by Hartford to the Trustee pursuant to the Shook/Hartford Agreement, the Trustee shall pay one-half of the fee earned by Rice and one-half of the fee earned by the Shook Professionals to the extent such amounts have not already been paid by Hartford;

(iii) Upon receipt of the first payment made by Hartford to the Trustee pursuant to the Shook/Hartford Agreement, the Trustee shall pay to the Claims-Handling Entity the per claim amount for each claim of a Participating Claimant to the extent that funds are available after calculation of payments to be made pursuant to Section II.B(i) and (ii) of this Agreement to the extent such amount have not been paid already by Hartford;

(iv) Upon receipt of the first Remaining Payment made by Hartford to the Trustee pursuant to Hartford's obligation to make any Remaining Payments under the Shook/Hartford Agreement, and the satisfaction of the conditions for distribution of such funds under the Shook/Hartford Agreement, the Trustee shall pay one-half of the fee earned by Rice and one-half of the fee earned by the Shook Professionals and any remaining amount owed to the Claims-Handling Entity;

(v) The Trustee shall pay to Hartford all income earned on amounts paid by Hartford to the extent such payment is required by the Shook/Hartford Agreement;

(vi) The Trustee shall pay on a pro-rata basis (as defined in Section II.C) all remaining Trust Assets derived from the Shook/Hartford Agreement that are available for distribution subject to satisfaction of the terms and conditions for distribution of funds under the terms of the Shook/Hartford Agreement, or derived from any other source to the Participating Claimants to the extent of their Secured Claims and to the SBNP Claimants, from time to time as the Trustee believes is prudent in light of the funds available for distribution and other factors, until such time as the Participating Claimants' Secured Claims and all of the SBNP Claims are paid, provided that the Trustee will use his or her best efforts to distribute all Trust Assets that are available for distribution within the calendar year such assets are received;

(vii) After the full payment of the Participating Claimants' Secured Claims and all of the SBNP Claims, or after an appropriate reserve for all such claims has been established, the Trustee shall pay all remaining Trust Assets to the CCR Payees in accordance with the CCR Agreement until the CCR's Settlement Amount is fully paid;

(viii) After the full payment of the CCR Settlement Amount, and the payment of all costs, fees, and other expenses of the Trust, the Trustee shall pay any remaining assets to a trust established as a QSF pursuant to a confirmed plan of reorganization or as a court of competent jurisdiction may otherwise direct (or if no plan of reorganization is confirmed and no court otherwise directs payment within twenty-one (21) years from the date of this Agreement, to a charity qualified under section 501(c)(3) of the Internal Revenue Code selected by the Trustee), and the Trustee shall release the Security Agreement; and

(ix) Notwithstanding anything in this Trust Agreement to the contrary, from time to time the Trustee shall deduct from the Trust Assets and shall pay (a) such amounts as are reasonably necessary to pay Administrative Expenses (as defined below), and (b) any and all attorneys' fees or other professional fees, and related expenses and disbursements, incurred by or on behalf of Shook or any Shook successor in connection with pursuit by Shook or any Shook successor of Shook's insurance coverage.

C. Pro-Rata Distributions to Participating Claimants and SBNP Claimants. All distributions from the Trust to Participating Claimants and SBNP Claimants after distributions to Participating Claimants from the Hartford Initial Payment shall be allocated to individual Participating Claimants and SBNP Claimants by multiplying the aggregate amount of the distribution to be made by a fraction, the numerator of which is the unpaid amount of the Claimant's Secured Claim or the SBNP Claim, as applicable, and the denominator of which is the total of all remaining unpaid Claimants' Secured Claims and all remaining unpaid SBNP Claims.

D. Trust Assets.

(i) Funding of the Trust. In furtherance of the purposes of the Trust, the Trustee, on behalf of the Trust, shall receive and accept from Shook, or directly from Shook's liability insurers, insurance proceeds and other assets as designated in the Settlement Agreements (the "Trust Assets"). Interest and other investment income accrued on the Trust Assets shall become part of the Trust Assets.

(ii) Investment of the Trust Assets; Tax Liability. So long as the Trust exists, the Trustee shall, from time to time, invest and reinvest the Trust Assets in accordance with the investment guidelines attached hereto as Appendix A. The Trustee shall have the right to liquidate any investment held, in order to provide funds necessary to make distributions of the Trust Assets pursuant to this Trust Agreement. The Trustee shall not have any liability for any loss sustained as a result of any investment made pursuant to this Trust Agreement or as a result of any liquidation of any investment prior to its maturity. The Trust shall pay from the Trust Assets any and all tax liability arising from the operation of the Trust and shall meet any and all reporting requirements for such investments. The Trustee shall have the power to exercise all rights with respect to the Trust's investments.

E. Security Interest in Insurance Proceeds.

(i) Subject to the Settlement Agreements and a Security Agreement dated contemporaneously herewith (the "Security Agreement"), the Trust shall have a security interest in the Collateral (as defined in the Settlement Agreements and the Security Agreement). The Trustee shall have the power and authority to enforce the Trust's security interest.

(ii) Within twenty (20) days following Shook's grant of the Security Interest, the Trustee shall take any and all actions that are necessary to establish and protect the Security Interest as a perfected Security Interest in the Collateral, including the filing of one or more UCC-1 financing statements; provided, that in no event may the Trustee take any actions that conflict with Shook's exclusive ownership of the Collateral and Shook's full and exclusive authority and discretion to evaluate, prosecute and settle all claims against its insurers to obtain Insurance Proceeds. Shook agrees to execute and deliver such financing statements and other documents, and do such other things as the Trustee shall reasonably request, to effectuate the Trustee's actions hereunder.

(iii) At any time that Shook is in breach of any of its obligations pursuant to the Claimant Agreement, the SBNP Claimant Agreement, or the CCR Agreement, any beneficiary of the Trust shall have the right to require the Trustee to take appropriate steps to enforce the Security Interest, which steps the Trustee shall take in such manner and at such time as the Trustee in his or her discretion may deem appropriate.

F. Administrative Expenses.

(i) Authority to Engage Professionals and Administrative Personnel. The Trustee shall have the power to appoint such officers and hire such employees and engage such legal, financial, accounting, investment, auditing, forecasting and other professionals, service providers or consultants as the business of the Trust requires, and to delegate to such persons such powers and authorities as the fiduciary duties of the Trustee permits and as the Trustee, in his or her discretion, deems advisable or necessary in order to carry out the terms of this Trust Agreement. The Trustee shall be authorized to employ, among other professionals, the firm of Haynes, Downard, Andra & Jones, LLP ("HDA&J"). The Trustee shall serve copies of statements and invoices for fees and expenses of the Trustee and of HDA&J, prior to the payment of any such statements or invoices, upon the parties listed (the "Notice Parties"), and in the manner set out, in Section IV.F. Such statements or invoices may be paid by the Trustee unless, within ten (10) days after such service, any of the Notice Parties serves upon the Trustee and the other Notice Parties its objection to payment of all or part of such statement or invoice. The portion(s) of any statement or invoice with respect to which an objection is served may not be paid until the objection thereto is settled or is resolved in accordance with Section IV.L of this Agreement.

(ii) Administrative Expenses and Segregation of Administrative Funds. The Trustee shall periodically estimate the funds that shall be necessary to pay administrative expenses incurred or expected to be incurred pursuant to the execution of the Trustee's duties ("Administrative Expenses"). Such Administrative Expenses shall include, without limitation, compensation of the Trustee and any and all Trust employees, payment of all professionals and consultants engaged by the Trust, and the expenses of operating and administering the Trust. Administrative Expenses shall also include the reasonable fees and expenses incurred by the Claim Reviewer. Pursuant to Section II.B(ix) of this Agreement, the Trustee shall, from time to time, set aside from the Trust Assets amounts sufficient to pay the estimated Administrative Expenses ("Administrative Funds") and shall not use Administrative Funds for any other purpose, except as otherwise required by this Trust Agreement.

### III. THE TRUSTEE

A. Appointment of the Trustee. There shall be one (1) Trustee. The initial Trustee shall be Hasbrouck Haynes, Jr., CPA. In the event of a vacancy in the position of Trustee pursuant to Section III.B hereto or otherwise, the vacancy shall be filled by agreement of Shook and Claimants' Counsel (as defined in the Claimant Agreement) or by order of a court of competent jurisdiction. Immediately upon the appointment of a successor Trustee, all rights, titles, duties, powers and authority of the predecessor Trustee shall be vested in, and undertaken by, the successor Trustee without any further act. No successor Trustee shall be liable personally for any act or omission of his or her predecessor Trustee.

#### B. Term of Service.

(i) The Trustee shall serve until the earlier of (a) his or her resignation pursuant to Section III.B(ii) hereto, (b) his or her removal pursuant to Section III.B(iii) hereto, or (c) the termination of the Trust pursuant to Section IV.B hereto.

(ii) The Trustee may resign at any time by written notice to Shook and the Claimants' Counsel. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, without the written consent of Shook.

(iii) The Trustee may be removed in the event that he or she becomes unable to discharge his or her duties hereunder due to accident or physical or mental deterioration, or for other good cause. Good cause shall be deemed to include, without limitation, any failure to comply with this Trust Agreement or a consistent pattern of neglect and failure to perform or participate in performing the duties of the Trustee hereunder. Such removal shall require the unanimous decision of Shook and Claimants' Counsel or an order of a court of competent jurisdiction and shall take effect at such a time as they shall determine.

C. Duties and Powers of the Trustee. The Trustee is and shall act as a fiduciary to the Trust in accordance with the provisions of this Trust Agreement. The Trustee at all times shall administer the Trust and the Trust Assets to provide reasonable assurance that the Trust shall be in a financial position to maximize payment of all Qualified Claims. Subject to the limitations set forth in this Trust Agreement, the Trustee shall have the power to take any and all actions that, in the Trustee's judgment, are necessary or proper to fulfill the purposes of the Trust, including, without limitation, each power expressly granted in this Trust Agreement and any power reasonably incidental thereto.

D. Liability of the Trustee. The Trustee shall not be liable to the Trust, to any Claimant, or to any other person except for the Trustee's own breach of trust committed in bad faith, or for gross negligence or willful misappropriation.

E. Tax Duties of the Trustee. As set forth herein, the Trustee shall cause a Federal Employer Identification Number ("FEIN") for the Trust to be obtained and shall cause the annual income tax returns to be filed on the basis of a December 31 year end. The Trustee shall take all steps necessary to ensure that any tax obligations imposed upon the Trust are paid. To the extent necessary to satisfy this objective, the Trustee is hereby authorized, among other things, (i) to obtain a tax identification number for the Trust, (ii) to communicate with the Internal Revenue Service and state and local taxing authorities on behalf of the Trust, (iii) make payment of taxes on behalf of the Trust (which taxes will be paid out of the Trust Assets), and (iv) to file all applicable tax returns for the Trust. The Trustee shall jointly with Shook prepare and file a "relation-back election" under Reg. § 1.468B-1(j)(2)(ii) of the Internal Revenue Code of 1986, as amended, and shall otherwise cooperate with Shook in its efforts to cause the Trust to qualify as a QSF for federal income tax purposes.

F. Compensation and Expenses of the Trustee. The Trustee shall receive compensation from the Trust for his or her service as Trustee in the amount of \$195.00 per hour devoted to Trust business. The hourly rate of compensation payable to the Trustee hereunder shall be subject to adjustment periodically, with the consent of Claimants' Counsel (as defined in the Claimant Agreement), Shook and CCR. The Trust shall reimburse the Trustee for all reasonable out-of-pocket costs and expenses incurred by the Trustee in connection with the performance of his or her duties hereunder.

G. Reporting Duties of the Trustee. The Trustee shall submit to Shook and to the beneficiaries of the Trust or their counsel periodic reports as such parties shall reasonably request. Shook or any beneficiary shall have the right to conduct a financial audit of the Trust at such party's own expense.

H. Power to Act on Behalf of the Trust. The Trustee shall have the power to act on behalf of the Trust, including, without limitation, the power to:

- (i) sue and be sued and participate, as a party or otherwise, in any judicial, administrative, arbitral or other proceeding;
- (ii) execute and deliver such instruments as the Trustee considers proper in administering the Trust; and
- (iii) enter into such arrangements with third parties as is deemed by the Trustee to be useful in carrying out the purposes of the Trust, provided such arrangements do not conflict with any other provision of this Trust Agreement.

IV. GENERAL PROVISIONS

A. Irrevocability. The Trust is irrevocable.

B. Effective Date. This Agreement shall be effective on the date on which both Parties have signed the Agreement.

C. Termination. The Trust shall terminate upon the earlier of: (i) the payment in full of all of the Participating Claimant's Secured Claims, the SBNP Claims and the CCR Settlement Amount, and the distribution of all Trust Assets; (ii) the distribution of all Trust Assets and the Trustee's determination that no further steps to recover any assets subject to the Security Interest are commercially reasonable; (iii) the transfer of the assets of the Trust to a successor trust as provided in a confirmed plan of reorganization for Shook or other order of a court of competent jurisdiction that provides for a successor trust that is a QSF, preserves the rights of the beneficiaries hereunder and provides for the transfer of the assets of the Trust to such successor trust; or (iv) the payment of the assets of the trust to a charity twenty-one years from the date of this Agreement as described in Section II.B(vii) above.

D. Amendments. The Trustee, with the unanimous consent of Shook, Claimants' Counsel (as defined in the Claimant Agreement), SBNP Claimants' Counsel (as defined in the SBNP Agreement), the CCR, Hartford, and the Shook Professionals, may modify and amend this Trust Agreement; provided that no consent shall be required from any party (or a representative of that party) if the claims of such party have been satisfied in full, or in the case of Hartford, if Hartford has paid in full its obligation under the Shook/Hartford Agreement. Any modification made pursuant to this Section IV.D must be made in writing. The order of the distribution of the Insurance Proceeds (as set forth in Section II.B.(i) through (viii) of the Trust Agreement) shall not be modified or altered without the prior written consent of CCR.

E. Incorporation by Reference. All terms and conditions contained in the Claimant Agreement, the SBNP Claimant Agreement, and the CCR Agreement shall be incorporated in this Agreement by reference. Capitalized terms not otherwise defined herein shall have the meanings accorded to them in the Claimant Agreement, the SBNP Claimant Agreement, and the CCR Agreement, as the case may be.

F. Notices. All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes (if mailed) three (3) calendar days after being deposited, postage prepaid, in the United States Mail, registered or certified mail, or (if delivered by express courier) one (1) business day after being delivered to such courier, or (if delivered in person or via facsimile with faxed confirmation) the same day as delivery, except with respect to notices issued to the Trust, such notices shall be deemed received on the date actually received by the Trust. Notice to the Claimants' Counsel shall be deemed notice to each Claimant. Notices shall be addressed as follows:

Shook:

Mr. J. David Jackson  
Executive Vice President  
Shook & Fletcher Insulation Co.  
4625 Valleydale Road  
Birmingham, AL 35243  
Telephone: (205) 991-7606  
Facsimile: (205) 991-7745

Roger Frankel, Esq.  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, DC 20007  
(202) 424-7575 – Telephone No.  
(202) 424-7643 – Facsimile No.

Matthew H. Lembke, Esq.  
Bradley Arant Rose & White, LLP  
2001 Park Place, Suite 1400  
Birmingham, AL 35203-2736  
(205) 521-8000 – Telephone No.  
(205) 521-8800 – Facsimile No.

Trustee:

Hasbrouck Haynes, Jr., CPA  
Haynes Downard Andra & Jones, LLP  
Two North 20th Street, Suite 550  
Birmingham, AL 35203  
(205) 254-3380 (ext. 238) – Telephone No.  
(205) 254-3377 – Facsimile No.

Claimants' Counsel:

Joseph F. Rice, Esq.  
28 Bridgeside Boulevard  
P.O. Box 1792  
Mt. Pleasant, SC 29464  
(843) 216-9000 – Telephone No.  
(843) 216-9290 – Facsimile No.

CCR:

Mr. Joseph J. Jordan  
Chief Financial Officer  
Center for Claims Resolution  
504 Carnegie Center, 2nd Floor  
Princeton, NJ 08540  
(609) 951-6008 – Telephone No.  
(609) 520-0649 – Facsimile No.

Michael P. Richman, Esq.  
Mayer, Brown & Platt  
1675 Broadway  
New York, NY 10019  
(212) 506-2505 – Telephone No.  
(212) 262-1910 – Facsimile No.

G. Successors and Assigns. This Trust Agreement shall be binding upon the Parties and their respective successors and assigns.

H. Entire Agreement. This Agreement contains the complete and entire understanding of the Parties with respect to the subject matter hereof, and no changes shall be recognized as valid unless they are made in writing and signed by the parties as required by Section IV.D hereto.

I. Headings. The headings used in this Trust Agreement are included for convenience only and neither constitute a portion of this Trust Agreement nor in any manner affect the construction of the provisions of this Trust Agreement.

J. Invalidity; Illegality. The invalidity, illegality, or unenforceability of any provision of this Agreement pursuant to a judicial or tribunal decree shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.

K. Governing Law. All disputes concerning the validity, interpretation and application of the Agreement, or any provision thereof, and disputes concerning issues within the scope of the Agreement shall be determined in accordance with the law of the State of Delaware, excluding any conflict of law provisions.

**EXHIBIT B TO THE PLAN**

L. Dispute Resolution. Any dispute arising out of or relating to this contract including the breach, termination or validity thereof shall be settled by arbitration in accordance with the CPR Rules for Non-Administered Arbitration in effect on the date of this agreement, by a sole arbitrator who shall be drawn from the CPR judicial list of distinguished neutrals. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The place of arbitration shall be Birmingham, Alabama. The arbitrator is not empowered to award damages in excess of compensatory damages and each party expressly waives and foregoes any right to punitive, exemplary or similar damages unless a statute requires that compensatory damages be increased in specified manner. The statute of limitations of the State of Alabama applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder.

M. Counterparts. This Agreement may be executed in any number of counterparts. Each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts together shall constitute but one and the same Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed by the authorized representatives of the Parties on the dates set forth below.

SHOOK & FLETCHER INSULATION CO.

By \_\_\_\_\_ /s/ Wayne W. Killian, Jr.

Title \_\_\_\_\_ President

Date \_\_\_\_\_ December 7, 2001

HASBROUCK HAYNES, JR., CPA

By \_\_\_\_\_ /s/ Hasbrouck Haynes, Jr., CPA

Title \_\_\_\_\_ Trustee

Date \_\_\_\_\_ December 7, 2001

## APPENDIX A TO TRUST AGREEMENT

### Investment Guidelines

1. United States-Direct Obligations (e.g., Treasury Bills, Notes and Bonds). Any United States direct obligation that has a maturity of not more than 2 years from the date of purchase.
2. Government Agencies and Instrumentalities-Direct or Indirect Obligations (e.g., notes issued by the Federal Home Loan Bank and Federal National Mortgage Association). Any government agency or instrumentality direct or indirect obligation that has a maturity of not more than 2 years from the date of purchase.
3. Commercial Paper. Any commercial paper note of a foreign or domestic corporation that has a maturity of not more than six months and that is rated no lower than A-1 by S&P or P-1 by Moody's.
4. Medium Term Notes. Any promissory note of a domestic corporation that has a maturity of not more than 2 years from the date of purchase and that is rated no lower than A by S&P or Moody's.
5. Bank Securities. Any foreign or domestic banker's acceptance, certificate of deposit, time deposit or note that has a maturity of not more than 1 year from the date of purchase and that is rated no lower than A by Moody's or S&P.
6. Municipal Securities. Any issue that includes direct or indirect obligations of any state, county, city or other qualifying entity. A short-term issue may be rated no lower than MIG 1 or SP-1; a long-term issue may be rated no lower than A by S&P or Moody's. Issues must have a maturity or redemption option of not more than 2 years from the date of purchase.
7. Money Market Fund. Any money market fund that has minimum net assets of \$500 million and an average portfolio maturity of not more than 180 days.
8. Other (e.g., U.S. dollar asset-backed securities, private placements, U.S. dollar obligations of foreign governments, supra-national organizations and domestic and foreign corporations). Any other investment that has a maturity of not less than 1 year from the date of purchase and that is rated no lower than A by Moody's or S&P.

**AMENDMENT TO TRUST AGREEMENT**

This Amendment to Trust Agreement is entered into, effective February 12, 2002, by and among Shook & Fletcher Insulation Co. ("Shook"), Hasbrouck Haynes, Jr., CPA (the "Trustee"), Joseph F. Rice, Esq. ("Claimants' Counsel"), the Center for Claims Resolution, Inc. (the "CCR"), Hartford Financial Services Group, Inc., and Gilbert Heintz & Randolph LLP and MFR Consulting Services, Inc.

**RECITALS**

WHEREAS, Shook and the Trustee entered into an agreement titled "Trust Agreement," dated December 7, 2001 ("Trust Agreement"); and

WHEREAS, capitalized terms used herein shall have the same meanings as those terms have in the Trust Agreement; and

WHEREAS, Shook has executed a number of agreements contemporaneously with the Trust Agreement, including the Claimant Agreement, the SBNP Claimant Agreement, the CCR Agreement, and the Shook/Hartford Agreement; and

WHEREAS, none of the SBNP Claimants has adopted the SBNP Claimant Agreement; and

WHEREAS, Shook, contemporaneously herewith, is executing the Amended Settlement Agreement Between Shook & Fletcher Insulation Co. and Various Settled Asbestos Claimants (the "Amended SBNP Agreement"), which supercedes the SBNP Claimant Agreement in its entirety; and

WHEREAS, the Parties wish to modify and amend the Trust Agreement pursuant to this Amendment to Trust Agreement to conform with the Amended SBNP Agreement.

NOW, THEREFORE, the Parties, intending to be legally bound hereby, agree as follows:

**AGREEMENT**

The Trust Agreement is hereby amended as follows:

1. Section II.A(ii) of the Trust Agreement shall be replaced in its entirety with:

(ii) Each SBNP Claimant who has adopted the Amended SBNP Claimant Agreement in accordance with its terms, and in the amount of the SBNP Claimant's Secured Claim. Each SBNP Claimant's Secured Claim is fully secured. Each SBNP's Claimant's Secured Claim is reduced by the amount of all payments received from the Trust or by any payment received with respect hereto from any trust formed pursuant to a confirmed plan of reorganization. Capitalized terms used in this Section II.A(ii) shall have the same meaning and be subject to the same conditions as in the Amended SBNP Claimant Agreement.

2. Section II.B(vi) of the Trust Agreement is hereby replaced in its entirety with the following:

(vi) The Trustee shall pay on a pro-rata basis (as defined in Section II.C) all remaining Trust Assets derived from the Shook/Hartford Agreement that are available for distribution subject to satisfaction of the terms and conditions for distribution of funds under the terms of the Shook/Hartford Agreement, or derived from any other source to the Participating Claimants to the extent of their Secured Claims and to the SBNP Claimant to the extent of the lesser of their CCR Settlement Amounts or their Option B Secured Claim, from time to time as the Trustee believes is prudent in light of the funds available for distribution and other factors, until such time as the Participating Claimants' Secured Claims and the SBNP Claimants' CCR Settlement Amounts are paid; provided that the Trustee will use his or her best efforts to distribute such assets within the calendar year they are received.

3. A new Section II.B(vii) as follows will be inserted after Section II.B(vi):

(vii) After the full payment of the Participating Claimants' Secured Claims and, for each SBNP Claimant, the lesser of (i) that SBNP Claimant's CCR Settlement Amount or (ii) for Option B Claimants, the Option B Claimant's Secured Claim, or after an appropriate reserve for all such claims has been established, the Trustee shall pay all remaining Trust Assets to the Option B Claimants on a pro-rata basis, until any unpaid portion of their Option B Secured Claims is fully paid;

4. Existing Section II.B(vii) is hereby replaced in its entirety with the following renumbered as Section II.B(viii):

(viii) After the full payment of the Participating Claimants' Secured Claims and the full payment of the SBNP Claimants' Secured Claims, or after an appropriate reserve for any unpaid such claims has been established, the Trustee shall pay all remaining Trust Assets to the CCR Payees in accordance with the CCR Agreement until the CCR's Settlement Amount is fully paid.

5. The existing Sections II.B(viii) and (ix) are renumbered as Sections II.B(ix) and (x).

6. Section II.C is hereby replaced in its entirety with the following:

C. Pro-Rata Distribution

(i) Distribution to Participating Claimants and the SBNP Claimants. All distributions from the Trust to Participating Claimants and SBNP Claimants after distributions to Participating Claimants from the Hartford Initial Payment shall be allocated to individual Participating Claimants and SBNP Claimants by multiplying the aggregate amount of the distribution to be made by a fraction, the numerator of which is the unpaid amount of the Participating Claimant's Secured Claim or the SBNP Claimant's CCR Settlement Amount, as applicable, and the denominator of which is the total of all remaining unpaid Participating Claimants' Secured Claims and all remaining unpaid SBNP Claimants' CCR Settlement Amounts.

(ii) Distribution to Option B Claimants only. All distributions from the Trust to Option B Claimants after the Participating Claimants' Secured Claims and the SBNP Claimants' CCR Settlement Amounts have been fully paid shall be allocated to individual Option B Claimants by multiplying the aggregate amount of the distribution to be made by a fraction, the numerator of which is the unpaid amount of the Option B Claimant's Option B Secured Claim and the denominator of which is the total of all remaining unpaid Option B Secured Claims.

7. The parties executing this Amendment to Trust Agreement acknowledge that references in the Trust Agreement, Claimant Agreement, CCR Agreement, and the Shook/Hartford Agreement to the SBNP Claimant Agreement shall be deemed references to the Amended SBNP Agreement.

8. Other than as expressly provided for herein, the terms of the Trust Agreement shall remain in full force and effect.

9. The Trust Agreement and this Amendment to Trust Agreement (the "Agreements") constitute a single integrated written contract expressing the entire agreement among the parties hereto. The Agreements supersede any prior understandings and agreements between or among the parties with respect to the subject matter of the Agreements. There are no representations, agreements, arrangements or understandings between or among the parties, oral or written, relating to the subject matter of the Agreements that are not fully expressed herein. Any statements, promises or inducements, whether made by any party or any agents of any party, that are not contained in the Agreements shall not be valid or binding. The failure or invalidation of any provision of the Agreements shall not in any way affect the validity or performance of any party pursuant to any other provision of the Agreements.

10. This Amendment to Trust Agreement may be executed in any number of counterparts. Each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts together shall constitute but one and the same Amendment to Trust Agreement.

IN WITNESS WHEREOF, this Amendment to Trust Agreement, consisting of six (6) pages, has been read and signed by the duly authorized representatives of the parties on the dates set forth below.<sup>1</sup>

**SIGNATURES ON FOLLOWING PAGE**

---

<sup>1</sup> The number of pages referenced herein relates to the original Amendment to the Trust Agreement. While the content of this Exhibit C is the same as the original Amendment to the Trust Agreement, the formatting has changed.

SHOOK & FLETCHER INSULATION CO.

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

HASBROUCK HAYNES, JR., CPA

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

JOSEPH F. RICE, ESQ. AS CLAIMANT'S COUNSEL

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

THE CENTER FOR CLAIMS RESOLUTION, INC.

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

HARTFORD FINANCIAL SERVICES GROUP, INC.

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

GILBERT HEINTZ & RANDOLPH LLP

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

MFR CONSULTING SERVICES, INC.

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

## SHOOK & FLETCHER ASBESTOS SETTLEMENT TRUST AGREEMENT

This Shook & Fletcher Asbestos Settlement Trust Agreement (this “**Trust Agreement**”), dated the date set forth on the signature page hereof and effective as of the Effective Date, is among Shook & Fletcher Insulation Co., a Delaware corporation, a debtor and debtor-in-possession in case number 02-02771-BGC-11 in the United States Bankruptcy Court for the Northern District of Alabama, as settlor (the “**Settlor**”), the Futures Representative, the Trust Advisory Committee and the Trustee identified on the signature page hereof and appointed on the Confirmation Date pursuant to the Second Amended Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code of Shook & Fletcher Insulation Co., as such Plan may be amended, modified or supplemented from time to time. All capitalized terms used herein but not otherwise defined herein shall have the respective meanings given to such terms in the Second Amended Glossary of Terms for the Plan Documents Pursuant to the Second Amended Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code of Shook & Fletcher Insulation Co., attached as *Exhibit A* to the Plan (as the same may be amended, modified or supplemented from time to time, the “**Glossary**”), and such definitions are incorporated herein by reference. All capitalized terms not defined herein or defined in the Glossary, but defined in the Bankruptcy Code or Bankruptcy Rules, shall have the meanings ascribed to them by the Bankruptcy Code and Rules, and such definitions are incorporated herein by reference.

WHEREAS, at the time of the entry of the order for relief in the Chapter 11 Case, Shook & Fletcher was named as a defendant in personal injury actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products; and

WHEREAS, the Debtor has reorganized under the provisions of Chapter 11 of the Bankruptcy Code in a case pending in the United States Bankruptcy Court for the Northern District of Alabama, known as *In re Shook & Fletcher Insulation Co.*, Case No. 02-02771-BGC-11; and

WHEREAS, the Plan, filed by the Debtor and supported by the Futures Representative and the Asbestos Claimants Committee, has been confirmed by the Bankruptcy Court; and

WHEREAS, the Plan Documents provide, among other things, for the creation of the Shook & Fletcher Asbestos Settlement Trust; and

WHEREAS, pursuant to the Plan, the Trust is to use its assets and income to pay Allowed Asbestos-Related Unsecured Claims as and to the extent provided for herein and in the CRP; and

WHEREAS, pursuant to the Plan, the Trust is intended to qualify as a "qualified settlement fund" within the meaning of Section 1.468B-1(c) of the Treasury Regulations promulgated under Section 468B of the IRC; and

WHEREAS, it is the intent of the Settlor, the Trustee, the Futures Representative and the TAC that the Trust be administered, maintained, and operated at all times as a qualified settlement fund through mechanisms that provide reasonable assurance that the Trust will value, and be in a financial position to pay, all Asbestos-Related Unsecured Claims that involve similar claims in substantially the same manner in strict compliance with the terms of this Trust Agreement and the CRP; and

WHEREAS, the Plan provides, among other things, for the complete treatment of all liabilities and obligations of the Debtor and its successors with respect to Asbestos Claims; and

WHEREAS, the Bankruptcy Court has determined that the Trust and the Plan satisfy all the prerequisites for the Injunctions, including the injunctions pursuant to Section 524(g) of the Bankruptcy Code, and such Injunctions have been entered in connection with the Confirmation Order.

NOW, THEREFORE, it is hereby agreed as follows:

### ARTICLE 1 AGREEMENT OF TRUST

1.1 **Creation and Name.** The Settlor hereby creates a trust known as the “Shook & Fletcher Asbestos Settlement Trust” as a Delaware business trust, which is the Trust to be created on the Effective Date pursuant to the Plan. The Trustee of the Trust may transact the business and affairs of the Trust in the name “Asbestos Settlement Trust” or “Shook & Fletcher Asbestos Settlement Trust”. Contemporaneously with the execution of this Trust Agreement, the Settlor will file a Certificate of Trust for the creation of a business trust with the Secretary of State of Delaware.

1.2 **Purpose.** The purpose of the Trust is to assume all liabilities (whether now existing or, arising at any time hereafter) arising from or relating to all Asbestos-Related Unsecured Claims and to use the Trust Assets to pay holders of such Asbestos-Related Unsecured Claims in accordance with this Trust Agreement and the CRP to be established pursuant hereto, and in such a way that all holders of similar Asbestos-Related Unsecured Claims are treated in a substantially equivalent manner and to otherwise comply in all respects with the requirements of a trust set forth in Section 524(g)(2)(B)(i) of the Bankruptcy Code. All Asbestos-Related Unsecured Claims shall be paid in accordance with this Trust Agreement and the CRP. All CRP Valued Asbestos Claims, including the future Asbestos Claims and Demands of Asbestos Claimants who are presently unknown, shall be determined and liquidated, if Allowed,

pursuant to this Trust Agreement and the CRP.

1.3 **Transfer of Assets.** After payment in full of all Asbestos-Related Secured Claims (other than the CCR Secured Claim) by or on behalf of the Pre-Petition Trust, Provision For CCR, and payment of or provision for all then accrued and unpaid Trust Expenses of the Pre-Petition Trust, the Pre-Petition Trust, pursuant to the Plan Documents, will transfer all of its right, title and interest in and to all of its assets and properties to the Trust. The Settlor, pursuant to the Plan, will issue the Promissory Note to the Trust as of the Effective Date and will transfer and assign to the Trust the other Trust Assets at the time and in the manner contemplated by the Plan Documents, in each case free and clear of any Liens or interests of Shook & Fletcher or any creditor, shareholder, or other Entity (other than the Lien for the benefit of CCR in the Collateral Account). The Settlor shall execute and deliver such documents as the Trustee may reasonably request from time to time to reflect such issuance of the Promissory Note and such transfer and assignment of the other Trust Assets to the Trust.

1.4 **Acceptance of Assets and Assumption of Liabilities.**

(a) In furtherance of the purposes of the Trust, the Trustee, on behalf of the Trust, hereby expressly accepts the Promissory Note and the transfer and assignment to the Trust of the other Trust Assets at the time and in the manner contemplated by the Plan Documents.

(b) In furtherance of the purposes of the Trust, the Trustee, on behalf of the Trust, hereby expressly assumes all liability (whether now existing or arising at any time hereafter) arising from or relating to all Asbestos-Related Unsecured Claims and all other obligations owed by the Debtor or its respective successors under applicable law or under any agreement related to any Asbestos-Related Unsecured Claim, and all liability for any fees or charges assessed under Section 1930 of Chapter 123 of Title 28 of the United States Code with respect to any calendar quarter following the calendar quarter in which the Effective Date occurs, during which the Chapter 11 Case is not closed as a result of any matter related to Trust Assets, Asbestos Claims or enforcement of any Injunctions. The Trust shall have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding Asbestos-Related Unsecured Claims that the Debtor or any successors of the Debtor has or would have had under applicable law or under any agreement related thereto.

(c) In furtherance of the purposes of the Trust, at such time as the assets and properties of the Pre-Petition Trust are transferred to and accepted by the Trust, the Trustee, on behalf of the Trust, hereby expressly assumes effective as of such time, without any further action, all liability, if any, arising from or relating to all Asbestos-Related Secured Claims and all other obligations owed by the Pre-Petition Trust and/or Debtor or their respective successors under the Asbestos Insurance Settlement Agreements, the Pre-Petition Trust Agreement, the Wellington Agreement, the Hartford Interim Defense Funding Agreement and the Asbestos Claims Settlement Agreements. At such time as the assets and properties of the Pre-Petition Trust are transferred to and accepted by the Trust, the Trust shall automatically and without further action have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, if any, regarding Asbestos-Related Secured Claims, the Pre-Petition Trust Agreement, the Wellington Agreement, the Hartford Interim Defense Funding Agreement and the Asbestos Claims Settlement Agreements that the Pre-Petition Trust and/or the Debtor or their respective successors has or would have had under applicable law or under any agreement related thereto.

(d) The Trust shall indemnify the Released Debtor Parties and their Affiliates and hold all of the foregoing harmless from and against any liabilities arising from or incurred in connection with (i) the breach of any term or provision of this Trust Agreement or (ii) any claim or action related to an Asbestos Claim from and after the date liability for such Asbestos Claim is assumed by the Trust under this Article 1.4, including, but not limited to, indemnification or contribution for any Asbestos Claim prosecuted against the Released Debtor Parties or their Affiliates, and any professional fees and expenses (including attorneys' fees and expenses), judgments, and settlements.

(e) Nothing in this Trust Agreement shall be construed in any way to limit the scope, enforceability, or effectiveness of the Injunctions issued in connection with the Plan or the Trust's assumption of all liability with respect to Asbestos Claims as and when provided herein.

## ARTICLE 2 POWERS AND TRUST ADMINISTRATION

2.1 **Powers.**

(a) The Trustee is and shall act as a fiduciary to the Trust in accordance with the provisions of this Trust Agreement and the Plan. The Trustee shall, at all times, administer the Trust and the Trust Assets in accordance with Article 1.2 of this Trust Agreement. Subject to the limitations set forth in this Trust Agreement and the CRP, the Trustee shall have the power to take any and all actions that, in the judgment of the Trustee, are necessary or proper to fulfill the purposes of the Trust, including, without limitation, each power expressly granted in this Article 2.1, any power reasonably incidental thereto, and any trust power now or hereafter permitted under the laws of the State of Delaware.

(b) Except as otherwise specified herein, the Trustee need not obtain the order or approval of any court in the exercise

of any power or discretion conferred hereunder.

(c) Without limiting the generality of Article 2.1(a) above, and except as limited below, the Trustee shall have the power to:

receive and hold the Trust Assets, exercise all rights granted under the Pledge Agreement with respect to the Common Stock as and to the extent provided therein, and exercise all rights with respect to, and transfer, the Promissory Note, subject to any restrictions set forth therein;

- (ii) invest the monies held from time to time by the Trust;
- (iii) sell, transfer, or exchange any or all of the Trust Assets at such prices and upon such terms as they may consider proper, consistent with the other terms of this Trust Agreement;
- (iv) enter into leasing and financing agreements with third parties to the extent such agreements are reasonably necessary to permit the Trust to operate;
- (v) pay liabilities and expenses of the Trust, including, but not limited to, Trust Expenses;
- (vi) establish such funds, reserves and accounts within the Trust estate, as deemed by the Trustee to be useful in carrying out the purposes of the Trust;
- (vii) sue and be sued and participate, as a party or otherwise, in any judicial, administrative, arbitral, or other proceeding or legal action;
- (viii) adopt and amend the Trust Bylaws (a copy of which is annexed hereto as *Annex A*) in accordance with the terms thereof;
- (ix) establish the CRP as provided in Section 2.3 and supervise and administer the Trust in accordance with the CRP and the other terms hereof;
- (x) to administer, amend, supplement, or modify the CRP in accordance with the terms thereof;
- (xi) appoint such officers and hire such employees and engage such legal, financial, accounting, investment, auditing and forecasting, and other consultants or alternative dispute resolution panelists, and agents as the business of the Trust requires, and to delegate to such persons such powers and authorities as the fiduciary duties of the Trustee permit and as the Trustee, in his or her discretion, deems advisable or necessary in order to carry out the terms of this Trust;
- (xii) pay employees, legal, financial, accounting, investment, auditing and forecasting, and other consultants, advisors, and agents reasonable compensation, including without limitation, compensation at rates approved by the Trustee for services rendered prior to the execution hereof;
- (xiii) compensate the Trustee, the Futures Representative, the TAC and their employees, legal, financial, accounting, investment and other advisors, consultants, independent contractors, agents and reimburse all out-of-pocket costs and expenses incurred by such Persons in connection with the performance of their duties hereunder, including without limitation costs and expenses incurred prior to the execution hereof;
- (xiv) reimburse the Trust Advisory Committee, and its employees, legal, financial, accounting, investment and other advisors, consultants, independent contractors, and agents for all out-of-pocket costs and expenses incurred by such Persons in connection with the performance of their duties hereunder, including without limitation costs and expenses incurred prior to the execution hereof;
- (xv) execute and deliver such instruments as the Trustee considers proper in administering the Trust;
- (xvi) enter into such other arrangements with third parties as are deemed by the Trustee to be useful in carrying out the purposes of the Trust, *provided* such arrangements do not conflict with any other provision of this Trust Agreement or the CRP;
- (xvii) in accordance with Article 2.4, indemnify the Persons to be indemnified under Article 2.4 to the fullest extent that a corporation or trust organized under the law of the Trust's situs is from time to time entitled to indemnify and/or insure its directors, trustees, officers, employees, agents, advisors and representatives and purchase insurance for the Trust and those Persons for whom the Trust has an indemnification obligation hereunder;
- (xviii) delegate any or all of the authority herein conferred with respect to the investment of all or any portion of the Trust Assets to any one or more reputable individuals or recognized institutional investment advisors or investment managers without liability for any action taken or omission made because of any such delegation, except as provided in Articles 4.4, 5.8 and 6.9;

(xix) consult with Reorganized Shook & Fletcher or its successors at such times and with respect to such issues relating to the conduct of the Trust as the Trustee considers desirable;

make, pursue (by litigation or otherwise), collect, compromise or settle, in the name of the Trust or the name of Reorganized Shook & Fletcher or any successor in interest, any claim, right, action, or cause of action included in the Trust Assets including, but not limited to, the Asbestos Insurance Action Recoveries and the Asbestos In-Place Insurance Coverage, before any court of competent jurisdiction;

(xxi) merge or contract with other claims resolution facilities that are not specifically created by this Trust Agreement or the CRP; *provided* that such merger or contract shall not (a) subject Reorganized Shook & Fletcher or any successor in interest to any risk of having any Asbestos Claim asserted against it or them, (b) result in the imposition of any federal, state or local tax or assessment on Reorganized Shook & Fletcher, or (c) otherwise jeopardize the validity or enforceability of the Injunctions;

(xxii) object to Asbestos Claims as provided in Section 8.2 of the Plan;

(xxiii) seek to modify the Plan as provided in Section 15.5 of the Plan; and

(xxiv) procure insurance policies and establish claims handling agreements and other arrangements as provided in Section 7.2(a)(ii) of this Trust Agreement.

(d) The Trustee shall not have the power to guarantee any debt of other Persons.

(e) The Trustee shall give the Futures Representative and the TAC prompt notice of any act performed or taken pursuant to Article 2.1(c)(ii), (iii), (iv), (vi), (vii), (viii), (ix), (x), (xiii), (xiv), (xvii), (xx), (xxi), (xxii), (xxiii), (xxiv), and Article 2.2(f).

## 2.2 General Administration.

(a) To the extent not inconsistent with the terms of this Trust Agreement, the Trust Bylaws shall govern the affairs of the Trust and the Trustee shall act in accordance with the Trust Bylaws. In the event of an inconsistency between the Trust Bylaws and this Trust Agreement, this Trust Agreement shall govern.

(b) The Trustee shall file timely such income tax and other returns and statements and comply with all withholding obligations, in each case as required under the applicable provisions of the IRC and of any applicable state law and the regulations promulgated thereunder, including without limitation all requirements necessary to qualify and maintain, and the Trustee shall cause the Trust to qualify and maintain, qualification as a "qualified settlement fund" within the meaning of section 1.468B-1(c) of the Treasury Regulations promulgated under section 468B of the IRC, and shall timely pay all taxes required to be paid. The Trustee shall provide a copy of such returns to the Futures Representative and the TAC when such return is filed.

(c) (i) The Trustee shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, but, in any event, no later than one hundred twenty (120) days following the end of each fiscal year, an annual report containing financial statements of the Trust (including, without limitation, a balance sheet of the Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustee and accompanied by an opinion of such firm as to the fairness in all material respects of the financial statements' presentation of the cash and investments available for the payment of Asbestos Claims and as to the conformity of the financial statements with generally accepted accounting principles. The Trustee shall provide a copy of such reports to the Futures Representative, the TAC and Reorganized Shook & Fletcher or its successor when such reports are filed with the Bankruptcy Court.

(ii) Simultaneously with delivery of each set of financial statements referred to in Article 2.2(c)(i), the Trustee shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of Asbestos Claims (and the amount paid in respect of each such Asbestos Claim) disposed of during the period covered by the financial statements. The Trustee shall provide a copy of such reports to the Futures Representative and the TAC when such report is filed.

(iii) All materials required to be filed with the Bankruptcy Court by this Article 2.2(c) shall be available for inspection by the public in accordance with procedures established by the Bankruptcy Court and shall be filed with the Clerk of the Bankruptcy Court.

(d) The Trustee shall cause to be prepared as soon as practicable prior to the commencement of each fiscal year a budget and cash flow projections covering such fiscal year and the succeeding four fiscal years. The Trustee shall provide a copy of the budget and cash flow projections (including the projected distribution percentage) to the Futures Representative and the TAC.

(e) The Trustee shall consult with the Futures Representative and the TAC (i) on the establishment, implementation and administration of the CRP and (ii) on the implementation and administration of the Trust. The Trustee may consult with the Futures Representative and the TAC with respect to any other matter affecting the Trust. The Trustee shall meet with the Futures Representative and the TAC not fewer than four (4) times each calendar year during the first two (2) years following the Effective

Date and then two (2) times each calendar year thereafter, which shall be at a regular or special meeting of the Trustee as mutually agreed to by the Trustee, the Futures Representative and the TAC, to discuss general matters regarding the administration of the Trust, the review, Allowance, and payment of Asbestos-Related Unsecured Claims, and the condition of the Trust Assets.

(f) In addition to the other provisions contained in this Trust Agreement or in the CRP requiring the consent of the Futures Representative and the TAC, the Trustee shall be required to obtain the consent of the Futures Representative and the consent of the TAC to:

- (i) amend any provision of this Trust Agreement; or
- (ii) terminate the Trust pursuant to Article 7.2 hereof; or
- (iii) change the number of trustees and appoint successor Trustee(s); or
- (iv) settle the liability of any insurer under any Asbestos Insurance Policy or to settle any Asbestos Insurance Action;
- (v) change the compensation of the Trustee (other than mere cost-of-living increases);
- (vi) establish or amend the CRP; or
- (vii) take any action pursuant to Section 2.1(c)(iii), 2.1(c)(viii), 2.1(c)(xxi) or 2.1(c)(xxiii).

(g) The Trustee, upon notice from the Futures Representative or the TAC requesting consideration of one or more issues, shall at their next regular meeting or, if appropriate, at a specially called meeting, place on their agenda and consider such issues.

2.3 **Claims Administration.** On the Effective Date, the Trustee shall promptly proceed to establish and implement the CRP. The CRP shall incorporate the Compensable Disease Matrix, Medical Criteria and Location of Exposure and use the foregoing as a basis for resolving CRP Valued Asbestos Claims. The CRP shall also provide mechanisms such as structured, periodic or supplemental payments, pro rata distributions, or periodic review of estimates of the numbers and values of present Asbestos Claims and future Demands, or other comparable mechanisms, that provide reasonable assurance that the Trust will value and be in a financial position to pay similar Asbestos-Related Unsecured Claims in substantially the same manner.

2.4 **Indemnification of Trustee and Additional Indemnitees.**

(a) The Trust shall indemnify and defend the Trustee, the Trust's officers, and employees to the fullest extent that a corporation or trust organized under the laws of the Trust's situs is from time to time entitled to indemnify and defend its directors, trustees, officers and employees against any and all liabilities, expenses, claims, damages or losses incurred by them in the performance of their duties hereunder. Additionally, any of the Additional Indemnitees, who was or is a party, or is threatened to be made a party to any threatened or pending judicial, administrative, or arbitral action, by reason of any act or omission of such Additional Indemnitees with respect to (i) the Chapter 11 Case and any act or omission undertaken by them prior to the commencement thereof, (ii) the liquidation of any Asbestos Claims, (iii) the administration of the Trust and the implementation of the CRP, or (iv) any and all activities in connection with this Trust Agreement shall be indemnified and defended by the Trust to the fullest extent that a corporation or trust organized under the laws of the Trust's situs is from time to time entitled to indemnify and defend its officers, directors, Trustee, and employees, against reasonable expenses, costs and fees (including attorneys' fees and costs), judgments, awards, amounts paid in settlement, and liabilities of all kinds incurred by each Additional Indemnitee in connection with or resulting from such action, suit, or proceeding, if he or she acted in good faith and in a manner such Additional Indemnitee reasonably believed to be in, or not opposed to, the best interests of the holders of Asbestos Claims whom the Additional Indemnitees represent. Notwithstanding the foregoing, neither the Trustee nor any officer or employee of the Trust, nor the Futures Representative nor any member of the TAC shall be indemnified or defended in any way for any liability, expense, claim, damage, or loss for which they are ultimately liable under Article 4.4, 5.8 or 6.9, as applicable.

(b) Reasonable expenses, costs and fees (including attorneys' fees and costs) incurred by or on behalf of a Trustee or any Additional Indemnitee in connection with any action, suit, or proceeding, whether civil, administrative or arbitral from which he or she is indemnified by the Trust pursuant to Article 2.4(a), shall be paid by the Trust in advance of the final disposition thereof upon receipt of an undertaking, by or on behalf of such Trustee or Additional Indemnitee, to repay such amount in the event that it shall be determined ultimately by Final Order that such Trustee or any Additional Indemnitee is not entitled to be indemnified by the Trust.

(c) The Trustee shall have the power, generally or in specific cases, to cause the Trust to indemnify the agents, advisors, or consultants of the Trust to the same extent as provided in this Article 2.4 with respect to the Trustee.

(d) Any indemnification under Article 2.4(c) of this Trust Agreement shall be made by the Trust upon a determination by the Trustee that indemnification of such Person is proper in the circumstances.

(e) The Trustee may purchase and maintain reasonable amounts and types of insurance on behalf of the Trust and any individual who is or was a Trustee, officer, employee, agent or representative of the Trust or an Additional Indemnitee against liability asserted against or incurred by such individual in that capacity or arising from his or her status as a Trustee, Futures Representative, member of the TAC, officer, employee, agent or other representative.

2.5 **Lien.** The Trustee and the Additional Indemnitees shall have a Lien upon the Trust Assets which shall be prior to any other Lien thereon (other than the Lien for the benefit of CCR in the Collateral Account), and the Trust hereby grants a security interest to each of the Trustee and the Additional Indemnitees, to secure the payment of any amounts payable to them pursuant to Article 2.4. The Trust shall take such actions as may be necessary or reasonably requested by any of the Trustee, the Futures Representative, the TAC or any of the other Additional Indemnitees to evidence such Lien (including, without limitation, filing appropriate financing statements).

### ARTICLE 3 ACCOUNTS, INVESTMENTS, AND PAYMENTS

3.1 **Accounts.** Subject to the proviso in Section 2.1(c)(vi), the Trustee may, from time to time, establish and maintain such accounts and reserves within the Trust estate as he or she may deem necessary, prudent, or useful in order to provide for the payment of Trust Expenses payable hereunder and Asbestos Claims in accordance with the CRP, and may, with respect to any such account or reserve, restrict the use of monies therein.

3.2 **Investments.** Investment of monies held in the Trust shall be administered in the manner in which individuals of ordinary prudence, discretion, and judgment would act in the management of their own affairs, subject to the following limitations and provisions:

(a) The Trust shall not acquire, directly or indirectly, equity in any Person or business enterprise if, immediately following such acquisition, the Trust would hold more than 5% of the equity in such Person or business enterprise. The Trust shall not hold, directly or indirectly, more than 10% of the equity in any Person or business enterprise.

(b) The Trust shall not acquire or hold any long-term debt securities unless (i) such securities are Trust Assets under the Plan, (ii) such securities have a maturity of not less than one (1) year from the date of purchase and are rated "A" or higher by Moody's Investors Services, Inc. ("**Moody's**") or by Standard & Poor's Corporation ("**S&P**"), or (iii) such securities have been issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof and have a maturity of not more than two (2) years from the date of purchase.

(c) The Trust shall not acquire or hold any United States Direct Obligation (e.g., Treasury Bills, Notes and Bonds) unless the United States Direct Obligation has a maturity of not more than two (2) years from the date of purchase.

(d) The Trust shall not acquire or hold any commercial paper note of a foreign or domestic corporation that has a maturity of not more than six (6) months unless such commercial paper is rated "P-1" or higher by Moody's or "A-1" or higher by S&P.

(e) The Trust shall not acquire or hold any promissory note of a domestic corporation unless the note has a maturity of not more than two (2) years from the date of purchase and such note is rated "A" or higher by Moody's or S&P.

(f) The Trust shall not acquire or hold any foreign or domestic banker's acceptance, certificate of deposit, time deposit or note, unless that instrument has a maturity of not more than one (1) year from the date of purchase and is rated "A" or higher by Moody's or S&P.

(g) The Trust may acquire issue which is a direct or indirect obligation of any state, county, city or other qualifying entity. A short term issue may be rated no lower than "MIG 1" or SP-1;" a long-term issue may be rated no lower than "A" by S&P or Moody's. Issuers must have a maturity or redemption option of not more than two (2) years from the date of purchase.

(h) The Trust may invest in a money market fund if the fund has minimum net assets of \$500 million and an average portfolio maturity of not more than 180 days.

(i) The Trust shall not acquire or hold any common or preferred stock or convertible securities unless such stock or securities are rated "A" or higher by Moody's or "A" or higher by S&P's, and have a maturity of not less than one (1) year from the date of purchase.

(j) The Trust shall not acquire any securities or other instruments issued by any Person (other than debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof) if, following such acquisition, the aggregate fair market value as determined in good faith by the Trustee of all securities and instruments issued by such Person held by the Trust would exceed 2% of the aggregate value of the Trust estate. The Trust shall not hold any securities or other instruments issued by any Person (other than debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof) to the extent that

the aggregate fair market value as determined in good faith by the Trustee of all securities and instruments issued by such Person held by the Trust would exceed 5% of the aggregate value of the Trust estate.

(k) The Trust shall not acquire or hold any certificates of deposit unless all publicly held, long-term debt securities, if any, of the financial institution issuing the certificate of deposit and the holding company, if any, of which such financial institution is a subsidiary, meet the standards set forth in Article 3.2(b).

(l) The Trust shall not acquire or hold any options or derivatives.

(m) The Trust shall not acquire or hold any repurchase obligations unless, in the opinion of the Trustee, they are adequately collateralized.

Notwithstanding the foregoing, the Trust may acquire and hold (A) equity or debt securities or instruments of the type(s) described in clauses (a) through (l) of this Article 3.2 which are issued by the Debtor, Reorganized Shook & Fletcher, or its subsidiaries, Affiliates, or successors (including without limitation the Promissory Note and the Common Stock), and (B) any other property or asset included in kind in the Trust Assets, in each case without regard to any of the limitations set forth in such clauses (a) through (l).

3.3 **Source of Payments.** All Trust Expenses and all liabilities with respect to Asbestos Claims (as and when assumed by the Trust) shall be payable solely by the Trust out of the Trust Assets. Neither the Debtor, Reorganized Shook & Fletcher, their respective Affiliates or subsidiaries, any successor in interest or the present or former stockholders, directors, officers, employees or agents of the Debtor, Reorganized Shook & Fletcher, or their subsidiaries, nor the Trustee, the Futures Representative, the TAC or any of their officers, agents, advisors, or employees shall be liable for the payment of any Asbestos Claim, Trust Expense or any other liability of the Trust.

#### ARTICLE 4 TRUSTEE

4.1 **Number.** The initial number of Trustees shall be one (1); *provided however* that the number of Trustees may be increased in accordance with Section 2.2(f)(iii) hereof. The initial Trustee shall be that person named on the signature page hereof.

4.2 **Term of Service.**

(a) The initial Trustee named pursuant to Article 4.1 and each successor Trustee or Trustee named to fill a vacancy shall serve from the Effective Date until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Article 4.2(b), (iii) his or her removal pursuant to Article 4.2(c), or (iv) the termination of the Trust pursuant to Article 7.2.

(b) The Trustee may resign at any time by written notice to each of the TAC and the Futures Representative. Such notice shall specify a date when such resignation shall take effect, which shall not be less than 90 days after the date such notice is given, where practicable.

(c) The Trustee may be removed in the event that the Trustee becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or for other good cause. Good cause shall be deemed to include, without limitation, any substantial failure to comply with Article 2.2, a consistent pattern of neglect and failure to perform or participate in performing the duties of the Trustee hereunder, or repeated non-attendance at scheduled meetings. Such removal shall require the consent of each of the TAC and the Futures Representative. Such removal shall take effect at such time as the TAC and the Futures Representative jointly shall determine.

4.3 **Appointment of Successor Trustee.**

(a) In the event of a vacancy in the position of Trustee, the vacancy shall be filled by the joint consent of the TAC and the Futures Representative. If such vacancy has not been filled within ninety (90) days, the Bankruptcy Court shall fill the vacancy on application of any of such persons.

(b) Immediately upon the appointment of any successor Trustee, all rights, titles, duties, powers and authority of the predecessor Trustee hereunder shall be vested in, and undertaken by, the successor Trustee without any further act. No successor Trustee shall be liable personally for any act or omission of his or her predecessor Trustee.

4.4 **Liability of Trustee, Officers and Employees.** No Trustee, officer, or employee of the Trust shall be liable to the Trust, to any person holding an Asbestos Claim, or to any other Person except for such individual's (i) own breach of trust committed in bad faith or (ii) willful misappropriation. Such protection may, in the discretion of the Trustee, be extended to the agents, advisors, or consultants of the Trust. No Trustee, officer, or employee of the Trust shall be liable for any act or omission of any other officer, employee, agent, or consultant of the Trust, unless the Trustee, officer, or employee of the Trust, respectively, acted with bad faith in the selection or retention of such other officer, employee, agent, or consultant of the Trust.

4.5 **Compensation and Expenses of Trustee.**

(a) The Trustee will perform and bill its services as Trustee on an as-incurred time basis. The Trustee shall receive compensation from the Trust for his or her services as Trustee in accordance with his or her standard hourly rate, unless otherwise agreed to by the Trustee, the TAC and the Futures Representative. The Trustee will invoice the Trust monthly and send copies of such invoice to each of the TAC and Futures Representative. Each of the TAC and Futures Representative shall have fifteen (15) days to dispute such invoice, after which time the Trust shall pay the invoiced amount within fifteen (15) days. Monthly invoices shall include a description of the services provided.

(b) The Trust will promptly reimburse the Trustee for all reasonable out-of-pocket costs and expenses incurred by the Trustee in connection with the performance of his or her duties hereunder.

(c) The Trust will include a description of the amounts paid under this Article 4.5 in the report to be filed pursuant to Article 2.2(c)(i) of this Trust Agreement.

4.6 **Trustee's Employment of Experts.** The Trustee may, but shall not be required to, retain and/or consult with counsel, accountants, appraisers, auditors and forecasters, and other parties deemed by the Trustee to be qualified as experts on the matters submitted to them with the consent of each of the Futures Representative and the TAC, and the opinion of any such parties on any matters submitted to them by the Trustee shall be full and complete authorization and protection in respect of any action taken or not taken by the Trustee hereunder in good faith and in accordance with the written opinion of any such party.

4.7 **Trustee's Independence.** No Trustee shall, during the term of his or her service, hold a financial interest in, act as attorney or agent for, or serve as any other professional for Reorganized Shook & Fletcher or its successor. No Trustee shall act as an attorney for any Person who holds an Asbestos Claim.

4.8 **Bond.** The Trustee shall not be required to post any bond or other form of surety or security unless otherwise ordered by the Bankruptcy Court.

**ARTICLE 5  
THE FUTURES REPRESENTATIVE**

5.1 **Duties.** The Futures Representative shall serve in a fiduciary capacity, representing the interests of the Unknown Asbestos Claimants, for the purpose of protecting the rights of persons that might subsequently assert Demands. Where provided in this Trust Agreement or the CRP, certain actions of the Trustee are subject to the consent of the Futures Representative.

5.2 **Term of Office.**

(a) The Futures Representative shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Article 5.2(b), (iii) his or her removal pursuant to Article 5.2(c) or (iv) the termination of the Trust pursuant to Article 6.2.

(b) The Futures Representative may resign at any time by written notice to the Trustee. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

(c) The Futures Representative may be removed in the event he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or for other good cause. Good cause shall be deemed to include, without limitation, a consistent pattern of neglect and failure to perform or to participate in performing the duties of the Futures Representative hereunder and under the CRP, such as repeated non-attendance at scheduled meetings. Such removal shall be made by decision of the Trustee and the TAC.

5.3 **Appointment of Successor.** A vacancy caused by resignation shall be filled with an individual nominated by the Futures Representative. A vacancy for any other reason, or in the absence of a nomination by the Futures Representative, shall be filled with an individual selected by the Trustee with the consent of the TAC.

5.4 **Futures Representative's Employment of Professionals.** The Futures Representative may retain and/or consult with counsel, accountants, appraisers, auditors, forecasters, asbestos experts and other parties deemed by the Futures Representative to be qualified as experts on matters submitted to them, and the opinion of any such parties on any matters submitted to them shall be full and complete authorization and protection in support of any action taken or not taken by the Futures Representative hereunder in good

<sup>2</sup> Capitalized terms used herein without definition shall have the meanings ascribed to them in the Second Amended Glossary of Terms for the Plan Documents pursuant to the Second Amended Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code of Shook & Fletcher Insulation Co., as the same may be amended, modified or supplemented from time to time, and such definitions are incorporated herein by reference.

faith and in accordance with the written opinion of any such party, and in the absence of gross negligence. The Futures Representative and his or her experts shall at all times have complete access to the Trust's officers, employees and agents, and the accountants, appraisers, auditors, forecasters and other experts retained by the Trust as well as all information generated by them or otherwise available to the Trust or the Trustee.

**5.5 Compensation and Expenses of the Futures Representative.**

(a) The Futures Representative will perform and bill his or her services as Futures Representative on an as-incurred time basis. The Futures Representative shall receive compensation from the Trust for his or her services as the Futures Representative in accordance with his or her standard hourly rate, unless otherwise agreed by the Futures Representative and the Trustee. The Futures Representative will invoice the Trust monthly, which invoice shall include a description of the services provided. The Trustee shall have fifteen (15) days to dispute such invoice, after which time the Trust shall pay the invoiced amount within fifteen (15) days.

(b) The Trust will promptly reimburse, or pay directly if so instructed, the Futures Representative for all reasonable out-of-pocket costs and expenses, including fees and costs associated with employment of professionals pursuant to Article 5.4 and the procurement and maintenance of insurance incurred by the Futures Representative in connection with the performance of his or her duties hereunder and his or her duties in connection with the formulation, negotiation, and confirmation of the Plan and Plan Documents. Such reimbursement or direct payment shall be deemed a Trust Expense.

**5.6 Procedure for Obtaining Consent of the Futures Representative.**

(a) In the event the consent of the Futures Representative is required pursuant to the terms of this Trust Agreement, the Trustee shall promptly provide the Futures Representative and his or her counsel with notice and with all information regarding the matter in question.

(b) The Futures Representative must consider in good faith and in a timely fashion any request by the Trustee and may not withhold his or her consent unreasonably. If the Futures Representative does not notify the Trustee of his or her objection to such request within 45 days or such other time as has been approved by the Bankruptcy Court after receiving notice and information regarding such request, then the Futures Representative's consent shall be deemed to have been affirmatively granted.

**5.7 Lack of Consent of the Futures Representative.**

(a) In the event the Trustee is unable to obtain the consent of the Futures Representative to any action or decision for which consent is required after following the procedure set forth in Article 5.6 of this Trust Agreement, or if the Trustee and the Futures Representative are unable to reach agreement on any matter on which such consent is required, the matter shall be submitted promptly to alternative dispute resolution if mutually agreeable to the Trustee and the Futures Representative.

(b) If the disagreement is not resolved by alternative dispute resolution or if the Trustee and the Futures Representative do not agree to participate in any such alternative dispute resolution, the Trustee may apply to the Bankruptcy Court on an expedited basis for approval of such action or decision, and only if such approval is given by the Bankruptcy Court by entry of an appropriate order, shall the Trustee have the authority to implement such action or decision without the Futures Representative's consent.

**5.8 Liability of Futures Representative, Officers and Employees.** The Futures Representative shall not be liable to the Trust, to any person holding an Asbestos Claim, or to any other Person except for such individual's (i) own breach of trust committed in bad faith or (ii) willful misappropriation. Such protection may, in the discretion of the Trustee, be extended to the agents, advisors, or consultants of the Futures Representative. Neither the Futures Representative, nor any officer or employee of the Futures Representative, shall be liable for any act or omission of any other officer, employee, agent, or consultant of the Trust, unless the Futures Representative, or officer or employee of the Futures Representative, acted with bad faith in the selection or retention of such other officer, employee, agent, or consultant of the Trust.

**ARTICLE 6  
TRUST ADVISORY COMMITTEE**

**6.1 Formation and Number.** The TAC shall be formed pursuant to the Plan as of the Effective Date. The TAC shall be composed of three (3) members. The initial TAC members shall be those persons named on the signature page hereof. The TAC shall have a chairperson who shall act as the TAC's liaison with the Trust and the Futures Representative, coordinate and schedule meetings of the TAC, and handle all administrative matters that come before the TAC.

**6.2 Duties.** The TAC and its members shall serve in a fiduciary capacity representing all holders of Asbestos-Related Unsecured Claims. Where provided in this Trust Agreement or the CRP, certain actions by the Trustee are subject to the consent of the TAC.

**6.3 Term of Office.**

(a) Each member of the TAC shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Article 6.3(b), (iii) his or her removal pursuant to Article 6.3(c) or (iv) the termination of the Trust pursuant to Article 7.2.

(b) Any member of the TAC may resign at any time by written notice to each of the remaining TAC members. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

(c) Any member of the TAC may be removed in the event he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or for other good cause. Good cause shall be deemed to include, without limitation, a consistent pattern of neglect and failure to perform or to participate in performing the duties of such member hereunder and under the CRP, such as repeated non-attendance at scheduled meetings. Such removal shall be made by the majority vote of the Trustee and the other members of the TAC.

6.4 **Appointment of Successor.** A vacancy in the TAC caused by resignation, death, or removal shall be filled with an individual, not a firm, approved by the majority vote of the Futures Representative and all remaining members of the TAC.

6.5 **The TAC's Employment of Professionals.** The TAC may retain and/or consult with counsel, accountants, appraisers, auditors, forecasters, asbestos experts and other parties deemed by the TAC to be qualified as experts on matters submitted to them, and the opinion of any such parties on any matters submitted to them shall be full and complete authorization and protection in support of any action taken or not taken by the TAC hereunder in good faith and in accordance with the written opinion of any such party, and in the absence of gross negligence. The TAC and its experts shall at all times have complete access to the Trust's officers, employees and agents, and the accountants, appraisers, auditors, forecasters and other experts retained by the Trust as well as all information generated by them or otherwise available to the Trust or the Trustee.

6.6 **Compensation for Attendance at Meetings and Expenses of the TAC.**

(a) Each member of the TAC will perform and bill his or her services as a member of the TAC on an as-incurred time basis. Each member of the TAC shall receive compensation from the Trust for his or her services as a member of the TAC in accordance with his or her standard hourly rate, unless otherwise agreed by such member of the TAC and the Trustee. Each member of the TAC will invoice the Trust monthly, which invoice shall include a description of the services provided by such member during such month. The Trustee shall have fifteen (15) days to dispute such invoice, after which time the Trust shall pay the invoiced amount within fifteen (15) days.

(b) The Trust will promptly reimburse, or pay directly if so instructed, the TAC and each TAC member for all reasonable out-of-pocket costs and expenses, including fees and costs associated with employment of professionals pursuant to Article 6.5 and the procurement and maintenance of insurance incurred by the TAC in connection with the performance of its members' duties hereunder and its members' duties in connection with the formulation, negotiation, and confirmation of the Plan and Plan Documents. Such reimbursement or direct payment shall be deemed a Trust Expense.

6.7 **Procedure for Obtaining Consent of the TAC.**

(a) In the event the consent of the TAC is required pursuant to the terms of this Trust Agreement, the Trustee shall promptly provide the TAC and its counsel with notice and with all information regarding the matter in question.

(b) The TAC must consider in good faith and in a timely fashion any request by the Trustee and may not withhold its consent unreasonably. If the TAC does not notify the Trustee of its objection to such request within 45 days or such other time as has been approved by the Bankruptcy Court after receiving notice and information regarding such request, then the TAC's consent shall be deemed to have been affirmatively granted.

(c) Except where otherwise provided for in this Trust Agreement, the TAC shall act in all cases by majority vote.

6.8 **Lack of Consent of the TAC.**

(a) In the event the Trustee is unable to obtain the consent of the TAC on any action or decision for which consent of the TAC is required, after following the procedure set forth in Article 6.7 of this Trust Agreement, or if the Trustee and the TAC are unable to reach agreement on any matter on which the TAC's consent is required, then the matter may be submitted promptly to alternative dispute resolution if mutually agreeable to the Trustee and the TAC.

(b) If the disagreement is not resolved by alternative dispute resolution, or if the Trustee and the TAC do not agree to participate in any such alternative dispute resolution, the Trustee may apply to the Bankruptcy Court on an expedited basis for approval of such action or decision, and only if such approval is given by the Bankruptcy Court by entry of an appropriate order, shall the Trustee have the authority to implement such action or decision without the TAC's consent.

6.9 **Liability of the TAC, Officers and Employees.** No member of the TAC shall be liable to the Trust, to any person holding an Asbestos Claim, or to any other Person except for such individual's (i) own breach of trust committed in bad faith or (ii) willful misappropriation. Such protection may, in the discretion of the Trustee, be extended to the agents, advisors, or consultants of the TAC. No member of the TAC, nor any officer or employee of the TAC, shall be liable for any act or omission of any other officer, employee, agent, or consultant of the Trust, unless the TAC, or officer or employee of the TAC, acted with bad faith in the selection or

Section XIII. **Governing Law.** This Note shall be construed and enforced in accordance with and governed by the internal laws of the State of Alabama without reference to principles of conflicts of law, including all matters of construction, validity and performance.

Section XIV. **Amendment.** Any amendment, modification or waiver of any term or provision of this Note must be in writing and signed by each of the Makers and the Holder of this Note.

Section XV. **Headings.** The headings of the sections and paragraphs of this Note are for purposes of reference only and shall not limit or define the meaning hereof.

Section XVI. **Usury Laws.** It is the intention of the Makers and the Holder of this Note to conform strictly to all applicable usury laws now or hereafter in force, and any interest payable under this Note shall be subject to reduction to the amount not in excess of the maximum legal amount allowed under the applicable usury laws as now or hereafter construed by the courts having jurisdiction over such matters. If the maturity of this Note is accelerated by reason of an election by the Holder hereof resulting from an Event of Default, voluntary prepayment by the Makers or otherwise, then earned interest may never include more than the maximum amount permitted by law, computed from the date hereof until payment, and any interest in excess of the maximum amount permitted by law shall be canceled automatically and, if theretofore paid, shall at the option of the Holder hereof either be rebated to the Makers or credited on the principal amount of this Note, or if this Note has been paid, then the excess shall be rebated to the Makers. The aggregate of all interest (whether designated as interest or otherwise) contracted for, chargeable, or receivable under this Note shall under no circumstances exceed the maximum legal rate upon the unpaid principal balance of this Note remaining unpaid from time to time. If such interest does exceed the maximum legal rate, it shall be deemed a mistake and such excess shall be canceled automatically and, if theretofore paid, rebated to the Makers or credited on the principal amount of this Note, or if this Note has been repaid, then such excess shall be rebated to the Makers.

Section XVII. **Attorney's Fees.** The prevailing party in a legal or equitable action, suit or proceeding arising out of or related to this Note shall be entitled to recover its reasonable attorney's fees and expenses from the nonprevailing party.

**IN WITNESS WHEREOF**, the Makers have caused this Promissory Note to be duly executed as of the date first written above.

SHOOK & FLETCHER INSULATION CO.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SHOOK & FLETCHER SUPPLY CO. OF ALABAMA, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Schedule I to Promissory Note  
Amortization Schedule<sup>1</sup>

Payment Date	<u>Principal</u>	Payments <u>Interest</u>	Unpaid Principal <u>Balance of Note</u>
--------------	------------------	-----------------------------	--

---

<sup>1</sup> To be prepared once the interest rate has been established.

## PLEDGE AGREEMENT

**THIS PLEDGE AGREEMENT** (this “**Agreement**”), is entered into this \_\_\_ day of \_\_\_\_\_, 200\_, by and among the Shook & Fletcher Asbestos Settlement Trust (the “**Trust**”), Shook & Fletcher Insulation Co., a Delaware corporation (the “**Company**”), Wayne W. Killion, Sr. (“**Mr. Killion**”) and Wayne W. Killion, Jr., M.D. (“**Dr. Killion**”) and, together with Mr. Killion, the “**Stockholders**”).

WHEREAS, the Company has been named and expects to be named a defendant in numerous asbestos-related claims;

WHEREAS, the Company is unable to meet its liability with respect to such asbestos-related claims absent payment from its insurers;

WHEREAS, the Company has filed a reorganization case pursuant to Section 524(g) (“**Section 524(g)**”) of Chapter 11 of the United States Bankruptcy Code (the “**Code**”) and that certain Second Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of Shook & Fletcher Insulation Co. (as the same may be amended, modified or supplemented from time to time, the “**Plan**”);

WHEREAS, capitalized terms used herein without definition have the definitions given to such terms in the Second Amended Glossary of Terms for the Plan Documents pursuant to the Plan, attached as *Exhibit A* to the Plan (as the same may be amended, modified or supplemented from time to time);

WHEREAS, Mr. Killion is the legal and beneficial owner of 128,423 shares (the “**Mr. Killion Shares**”) of Class A common stock of the Company, par value \$.0005 per share (the “**Common Stock**”), which shares are free and clear of any Liens (other than Liens created by this Agreement);

WHEREAS, Dr. Killion is the legal and beneficial owner of 105,000 shares of Common Stock (the “**Dr. Killion Shares**”), which shares are free and clear of any Liens (other than Liens created by this Agreement);

WHEREAS, the Mr. Killion Shares and the Dr. Killion Shares represent all of the voting shares of the Company (together, the “**Pledged Shares**”) outstanding immediately prior to the Effective Date;

WHEREAS, Section 524(g) requires that the Trust be funded in part by the securities of the Company and by the obligation of the Company to make future payments, and therefore, pursuant to the Plan, the Company will issue as of the Effective Date the Promissory Note to the Trust;

WHEREAS, Section 524(g) further requires that, if certain contingencies occur, the Trust be entitled to own a majority of the voting shares of the Company, therefore, pursuant to the Plan and the Promissory Note, as security for the Company’s obligations under the Promissory Note and in furtherance of compliance with the requirements of Section 524(g), the Stockholders are required to pledge the Pledged Shares to the Trust pursuant to this Agreement and to deposit the Pledged Shares with the Escrow Agent to be held pursuant to the Escrow Agreement (which the parties hereto are entering into with the Escrow Agent contemporaneously herewith).

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto hereby agree, effective as of the Effective Date, as follows:

1. **Pledge.** Each Stockholder hereby pledges to the Trust all of such Stockholder’s right, title and interest in and to such Stockholder’s Pledged Shares as security for the payment when due (whether by scheduled repayment, acceleration, or otherwise) by the Company of all amounts payable or to become payable pursuant to and in accordance with the terms of the Promissory Note (such amounts are referred to herein as the “**Obligations**”).
2. **Delivery of Pledged Shares.** The Stockholders have delivered to the Escrow Agent the certificates representing the Pledged Shares, together with duly executed forms of assignment in blank and undated sufficient to transfer title thereto, and the Pledged Shares shall be held by the Escrow Agent during the term of this Agreement subject to the terms and conditions of this Agreement and the Escrow Agreement.
3. **Voting Rights; Dividends and Distributions.** Notwithstanding anything to the contrary contained herein, during the term of this Agreement until (i) the occurrence of and during the continuance of an Event of Default and (ii) the transfer by the Escrow Agent of the Pledged Shares to the Trust in accordance with the Escrow Agreement (the occurrence of the events specified in clauses (i) and (ii) of this Section 3 is referred to herein as a “**Triggering Event**”), each Stockholder shall be entitled to all of his voting rights with respect to such Stockholder’s respective Pledged Shares and shall be entitled to receive all dividends and/or distributions paid or payable in respect of such Pledged Shares. Upon the occurrence of a Triggering Event, each Stockholder shall no longer be entitled to vote his respective Pledged Shares and all such voting rights shall be vested in the Trust and the Trust shall thereupon become entitled to receive all dividends and/or distributions payable

thereafter as additional security hereunder and any such dividends and/or distributions may be applied in reduction of any of the Obligations.

4. **Other Remedies.** Upon the occurrence of a Triggering Event, the Trust may exercise any and all of the rights, powers and remedies of any owner of the Pledged Shares and shall have and may exercise without demand any and all the rights and remedies granted to a secured party upon default under the Uniform Commercial Code of Alabama or otherwise available to the Trust under applicable law, this Agreement, the Escrow Agreement or the Promissory Note. Without limiting the foregoing, upon the occurrence of a Triggering Event, the Trust is authorized to sell, assign and deliver at its discretion, from time to time, all or any part of the Pledged Shares at any private sale or public auction, on not less than ten days written notice to the Stockholders, at commercially reasonable prices and terms. The Stockholders shall have no right to redeem the Pledged Shares after any such sale or assignment, but at any such sale or auction the Stockholders may bid for, and become the purchaser of, all or any part of the Pledged Shares offered for sale. In case of any sale of the Pledged Shares pursuant hereto, the proceeds thereof shall be applied first to the costs and other expenses of such sale, and then in reduction of the Obligations in such manner as the Trust may direct, and each Stockholder acknowledges and agrees that the Trust shall have the continuing and exclusive right to apply such proceeds until the Obligations are paid in full. The balance of the proceeds of such sale, if any, remaining after the payment in full of such costs and expenses and the Obligations and any unsold Pledged Shares, shall be paid or delivered, as applicable, to the Stockholders pro rata in accordance with the number of Pledged Shares owned by each Stockholder on the date hereof. No Stockholder shall be liable for any deficiency with respect to the Obligations, it being the intent of the parties hereto that the Trust's sole recourse vis a vis the Stockholders upon the occurrence of a Triggering Event shall be to the Pledged Shares as provided herein and in the Escrow Agreement.
5. **Release of Pledged Shares.** Upon (i) the payment of all of the then outstanding principal under the Promissory Note plus all accrued but unpaid interest thereon in accordance with the terms of the Promissory Note (whether by scheduled repayment, acceleration, or otherwise) or (ii) any transfer by the Trust of the Promissory Note, the Trust shall surrender or cause the Escrow Agent to surrender all Pledged Shares then subject to this Agreement or the Escrow Agreement to the Stockholders together with all associated forms of assignment, and this Agreement shall be automatically terminated without any further action by the parties. Upon such termination, the Trust shall, at the expense of the Company, execute and deliver to the Stockholders all UCC termination statements and similar documents prepared by the Stockholders which the Stockholders shall reasonably request to evidence such termination.
6. **No Other Liens; No Sales or Transfers.** Each Stockholder hereby represents and warrants that he has valid title to all of the Pledged Shares, free and clear of all Liens (other than Liens created by this Agreement) and each Stockholder hereby covenants that, until all outstanding principal under the Promissory Note plus all accrued but unpaid interest thereon has been paid in full in accordance with the terms of the Promissory Note, such Stockholder shall not (i) create, incur, assume or suffer to exist any Lien against the Pledged Shares or such Stockholder's rights or a holder thereof, other than pursuant to this Agreement or (ii) sell or otherwise transfer any Pledged Shares or any interest therein (except as otherwise required herein or in the Escrow Agreement).
7. **Further Assurances.** Each Stockholder agrees that at any time and from time to time during the term of this Agreement upon the written request of the Trust, such Stockholder shall execute and deliver such further documents and do such further acts and things as the Trust may reasonably request in order to effect the purposes of this Agreement.
8. **Severability.** Any provision of this Agreement which is prohibited or unenforceable shall, as to such provision, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability shall not invalidate or render unenforceable the remaining provisions of this Agreement.
9. **No Waiver of Remedies; Cumulative Remedies.** The Trust shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and any such waiver shall not be valid unless in writing, signed by the Trust, and then only to the extent therein set forth. A waiver by the Trust of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Trust would otherwise have on any future occasion. No failure to exercise nor any delay in exercising on the part of the Trust, any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights or remedies provided by law.
10. **Waivers, Amendments; Applicable Law.** None of the terms or provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by the parties hereto. This Agreement and all rights, remedies and obligations of the parties hereto shall inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Alabama applicable to agreements made and to be performed entirely within such state, without regard to the conflicts of the law principles of such state.

11. **Dispute Resolution.** Each party hereby irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement shall be brought exclusively in the Bankruptcy Court and hereby expressly submits to the personal jurisdiction and venue of the Bankruptcy Court for the purposes thereof and expressly waives any claim of improper venue and any claim that the Bankruptcy Court is an inconvenient forum.
12. **Notices and Distributions.** All notices or other communications required or permitted to be given hereunder shall be (i) in writing and is deemed given when (a) delivered personally to the recipient, (b) sent by facsimile before 5:00 p.m. Birmingham, Alabama time on a Business Day with a copy of such facsimile sent to the recipient by reputable overnight courier service (charges prepaid) on the same day, (c) five (5) days after deposit in the U.S. mail, mailed by registered or certified mail, return receipt requested, postage prepaid, or (d) one business day after being sent to the recipient by reputable overnight courier service (charges prepaid); and (ii) addressed to the recipient at the address set forth below, or at such other address as such party may designate from time to time in writing in accordance with this Section 12.
- A. If to the Company:
- 4625 Valleydale Road  
P.O. Box 380501  
Birmingham, AL 35238  
Attn: Wayne W. Dr. Killion  
Facsimile: 205-991-7745  
Telephone: 205-991-7606
- With a copy to:
- Swidler Berlin Shereff Friedman, LLP  
3000 K Street, NW, Suite 300  
Washington, DC 20007  
Attn: Roger Frankel, Esq.  
Richard Wyron, Esq.  
Facsimile: 202-424-7647  
Telephone: 202-424-7500
- B. If to Mr. Killion or to Dr. Killion:
- 4625 Valleydale Road  
P.O. Box 380501  
Birmingham, AL 35238  
Facsimile: 205-991-7745  
Telephone: 205-991-7606
- With a copy to:
- Bradley Arant Rose & White, LLP  
2001 Park Place, Suite 1400  
Birmingham, AL 35203-2736  
Attn: John P. Whittington, Esq.  
Facsimile: 205-521-8800  
Telephone: 205-521-8000
- C. If to the Trust:
- Shook & Fletcher Asbestos Settlement Trust  
c/o Harry Huges, Esq.  
Powell, Goldstein, Frazer & Murphy, LLP  
1001 Pennsylvania Avenue, N.W.  
Facsimile: 202-624-7222  
Telephone: 202-624-3932
13. **No Strict Construction.** The parties hereto have participated jointly in the negotiation and drafting of this agreement. In the event an ambiguity or question of intent or interpretation arises, this agreement shall be construed as if drafted jointly by the

parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this agreement.

- 14. **Counterparts.** This agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.
- 15. **Entire Agreement.** This agreement together with the escrow agreement, the plan and the other plan documents related hereto contain the entire agreement and understanding among stockholders, the trust and the company with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter.

IN WITNESS WHEREOF, this Pledge Agreement has been executed as of the date first above written.

**“Stockholders”**

\_\_\_\_\_  
WAYNE W. KILLION, SR.

\_\_\_\_\_  
WAYNE W. KILLION, JR.

**“Company”**

**SHOOK & FLETCHER INSULATION CO.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**“Trust”**

**SHOOK & FLETCHER ASBESTOS SETTLEMENT TRUST**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Trustee or Officer of the Trust

## ESCROW AGREEMENT

**THIS ESCROW AGREEMENT** (this "**Agreement**"), is entered into this \_\_\_ day of \_\_\_\_\_, 200\_, by and among the Shook & Fletcher Asbestos Settlement Trust (the "**Trust**"), Wayne W. Killion, Sr. ("**Mr. Killion**"), Wayne W. Killion, Jr., M.D. ("**Dr. Killion**" and, together with Mr. Killion the "**Stockholders**"), Shook & Fletcher Insulation Co., a Delaware company (the "**Company**"), and National Bank of Commerce, as escrow agent (the "**Escrow Agent**").

WHEREAS, the Company has been named and expects to be named a defendant in numerous asbestos-related claims:

WHEREAS, the Company is unable to meet its liability with respect to such asbestos-related claims absent payment from its insurers:

WHEREAS, the Company has filed a reorganization case pursuant to Section 524(g) ("**Section 524(g)**") of Chapter 11 of the United States Bankruptcy Code (the "**Code**") and that certain Second Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of Shook & Fletcher Insulation Co. (as the same may be amended, modified or supplemented from time to time, the "**Plan**");

WHEREAS, capitalized terms used herein without definition have the definitions given to such terms in the Second Amended Glossary of Terms for the Plan Documents pursuant to the Plan, attached as *Exhibit A* to the Plan (as the same may be amended, modified or supplemented from time to time);

WHEREAS, Section 524(g) requires that the Trust be funded in part by the securities of the Company and by the obligation of the Company to make future payments, and therefore, pursuant to the Plan, the Company will issue as of the Effective Date the Promissory Note to the Trust;

WHEREAS, Section 524(g) further requires that, if certain contingencies occur, the Trust be entitled to own a majority of the voting shares of the Company, therefore, pursuant to the Plan and the Promissory Note, as security for the Company's obligations under the Promissory Note and in furtherance of compliance with the requirements of Section 524(g), the Stockholders are required to pledge the Pledged Shares (as defined in the Pledge Agreement) to the Trust pursuant to the Pledge Agreement (which the Stockholders, the Trust and the Company are entering into contemporaneously herewith) and to deposit the Pledged Shares with the Escrow Agent pursuant to this Agreement;

WHEREAS, the parties hereto desire that the Escrow Agent perform the duties of the Escrow Agent as set forth herein and wish to set forth their understanding with respect to the Escrow Agent's duties regarding the Pledged Shares.

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto hereby agree, effective as of the Effective Date, as follows:

1. **Appointment and Agreement of Escrow Agent.** The Stockholders and the Trust hereby appoint National Bank of Commerce as the Escrow Agent, and National Bank of Commerce hereby agrees to perform the duties of the Escrow Agent under this Agreement. This Agreement shall be administered, and the Pledged Shares shall be held, by the Escrow Agent.
2. **Deposit of Pledged Shares.**
  - A. Contemporaneously with the execution hereof, (i) Mr. Killion shall deliver to the Escrow Agent 128,423 shares of Common Stock, which represent all of the shares of Common Stock owned by him, together with duly executed forms of assignment in blank and undated sufficient to transfer title thereto; and (ii) Dr. Killion shall deliver to the Escrow Agent 105,000 shares of Common Stock, which represent all of the shares of Common Stock owned by him, together with duly executed forms of assignment in blank and undated sufficient to transfer title thereto.
  - B. The Escrow Agent agrees to accept the Pledged Shares in its capacity as Escrow Agent pursuant to the terms of this Agreement.
3. **Holding the Pledged Shares.** The Escrow Agent hereby agrees to hold and dispose of the Pledged Shares in accordance with the terms, conditions and provisions of this Agreement.
4. **Delivery of the Pledged Shares.** The Escrow Agent shall only deliver the Pledged Shares as follows:
  - A. Ten days after delivery to each of the Escrow Agent and the Company of a certificate in the form attached hereto as *Exhibit A* executed by the Trust certifying as to the existence of an Event of Default (the "**Trust Certificate**"), the Escrow Agent shall deliver promptly to the Trust all of the Pledged Shares then held by the Escrow Agent, together with the related forms of assignment. Notwithstanding the foregoing, the Escrow Agent shall not make such delivery to the Trust if the Company disputes the matters set forth in the Trust Certificate by delivering a certificate certifying the basis of such dispute to the Trust and the Escrow Agent not later than ten days after delivery of the Trust Certificate. Upon receipt of any such certificate of the Company, the Escrow Agent shall deliver to the Trust all of the Pledged Shares then held by the Escrow Agent, together with the related forms of assignment, on the date that is thirty days after delivery of the Trust Certificate unless the Company or the Stockholders obtain injunctive relief from a court of

competent jurisdiction prior to such date, in which case the Escrow Agent shall only distribute the Pledged Shares in accordance with Section 4C below or upon receipt of written instructions executed by both the Trust and the Company.

B. Ten days after delivery to each of the Escrow Agent and the Trust of a certificate in the form attached hereto as *Exhibit B* executed by the Company (the "**Company Certificate**") certifying that (i) all of the outstanding principal under the Promissory Note plus all accrued but unpaid interest thereon has been paid in full in accordance with the terms and provisions of the Promissory Note or (ii) the Promissory Note has been transferred by the Trust, the Escrow Agent shall deliver promptly to each Stockholder all of the Pledged Shares of such Stockholder then held by the Escrow Agent together with the related forms of assignment. Notwithstanding the foregoing, the Escrow Agent shall not make such delivery to the Stockholders if the Trust disputes the matters set forth in the Company Certificate by delivering a certificate certifying the basis of such dispute to the Company and the Escrow Agent not later than ten days after delivery of the Company Certificate. Upon receipt of any such certificate of the Trust, the Escrow Agent shall deliver to each Stockholder all of the Pledged Shares of such Stockholder then held by the Escrow Agent, together with the related forms of assignment, on the date that is thirty days after delivery of the Company Certificate unless the Trust obtains injunctive relief from a court of competent jurisdiction prior to such date, in which case the Escrow Agent shall only distribute the Pledged Shares in accordance with Section 4C below or upon receipt of written instructions executed by both the Trust and the Company.

C. Upon receipt of an order of the Bankruptcy Court directing the distribution of the Pledged Shares or a portion thereof, the Escrow Agent shall deliver promptly the number of Pledged Shares specified in such order to the Person(s) specified in such order together with the related forms of assignment.

5. **Termination of Escrow.** This Agreement shall automatically terminate upon the delivery by the Escrow Agent of all of the Pledged Shares in accordance with this Agreement.
6. **Dispute Resolution.** Each Party hereby irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement shall be brought exclusively in the Bankruptcy Court and hereby expressly submits to the personal jurisdiction and venue of the Bankruptcy Court for the purposes thereof and expressly waives any claim of improper venue and any claim that the Bankruptcy Court is an inconvenient forum.
7. **Notices and Distributions.** All notices or other communications required or permitted to be given hereunder shall be (i) in writing and is deemed given when (a) delivered personally to the recipient, (b) sent by facsimile before 5:00 p.m. Birmingham, Alabama time on a business day with a copy of such facsimile sent to the recipient by reputable overnight courier service (charges prepaid) on the same day, (c) five (5) days after deposit in the U.S. mail, mailed by registered or certified mail, return receipt requested, postage prepaid, or (d) one business day after being sent to the recipient by reputable overnight courier service (charges prepaid); and (ii) addressed to the recipient at the address set forth below, or at such other address as such party may designate from time to time in writing in accordance with this Section 7.

A. If to the Escrow Agent:

National Bank of Commerce  
P.O. Box 10686  
Birmingham, AL 35202  
Attention: William C. Josey  
Facsimile: 205-583-3638  
Telephone: 205-421-2300

B. If to the Company:

4625 Valleydale Road  
P.O. Box 380501  
Birmingham, AL 35238  
Attention: Wayne W. Killion, Jr.  
Facsimile: 205-991-7745  
Telephone: 205-991-7606

With a copy to:

Swidler Berlin Shereff Friedman, LLP  
3000 K Street, NW, Suite 300  
Washington, DC 20007  
Attn: Roger Frankel, Esq.  
Richard Wyron, Esq.  
Facsimile: 202-424-7647  
Telephone: 202-424-7500

C. If to Mr. Killion or to Dr. Killion:

4625 Valleydale Road  
P.O. Box 380501  
Birmingham, AL 35238  
Facsimile: 205-991-7745  
Telephone: 205-991-7606

With a copy to:

Bradley Arant Rose & White, LLP  
2001 Park Place, Suite 1400  
Birmingham, AL 35203-2736  
Attn: John P. Whittington, Esq.  
Facsimile: 205-521-8800  
Telephone: 205-521-8000

D. If to the Trust:

Shook & Fletcher Asbestos Settlement Trust  
c/o Harry Huges, Esq.  
Powell, Goldstein, Frazer & Murphy, LLP  
1001 Pennsylvania Avenue, N.W.  
Facsimile: 202-624-7222  
Telephone: 202-624-3932

8. **Liability and Indemnification of the Escrow Agent.**

A. The Escrow Agent's duties and responsibilities shall be limited to those expressly set forth herein. The Escrow Agent shall not be subject to, nor obliged to recognize, any other agreement among the parties hereto even though reference thereto may be made herein. This Agreement is for the exclusive benefit of the parties hereto and their respective successors hereunder, and shall not be deemed to give any legal or equitable right, remedy, or claim to any other entity or person whatsoever. The Escrow Agent shall not be obligated to take any legal action hereunder that might in its judgment involve any expense or liability unless it has been furnished with reasonable indemnity.

B. Neither the Escrow Agent nor any of its controlling persons, directors, officers, agents or employees, shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith in good faith and believed by it to be within the purview of this Agreement, except for its or their own gross negligence or willful misconduct. In no event shall the Escrow Agent or its controlling persons, directors, officers, agents and employees be held liable for any special, indirect or consequential damages resulting from any action taken or omitted to be taken by it or them hereunder or in connection herewith even if advised of the possibility of such damages, except in the case of its or their own gross negligence or willful misconduct. The Escrow Agent shall be fully protected in relying upon any instruction, notice, demand, certificate or document which it in good faith believes to be genuine and to be signed or presented by the proper person.

C. The Company and Trust shall jointly indemnify and hold the Escrow Agent and its controlling persons, directors, officers, agents and employees harmless against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including reasonable attorney's fees, that may be imposed on, incurred by or asserted against it or them in any action taken or not taken by it or them hereunder *unless* such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements were imposed on, incurred by or asserted against the Escrow Agent because of the breach by the Escrow Agent of its obligations hereunder, which breach was caused by gross negligence, lack of good faith or willful misconduct on the part of the Escrow Agent or any of its controlling persons, directors, officers, agents or employees. The foregoing indemnification shall survive any termination of this Agreement and the resignation or removal of the Escrow Agent.

D. In the event that (i) any dispute shall arise between the parties with respect to the disposition or disbursement of any of the assets held hereunder or (ii) the Escrow Agent shall be uncertain as to how to proceed in a situation not explicitly addressed by the terms of this Agreement whether because of conflicting demands by the other parties hereto or otherwise, the Escrow Agent shall be permitted to interplead all of the assets held hereunder into the Bankruptcy Court, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets. The parties hereto other than the Escrow Agent further agree to pursue any redress or recourse in connection with such a dispute, without making the Escrow Agent a party to same.

9. **Advice of Counsel.** In the performance of its duties hereunder, the Escrow Agent may consult with counsel with respect to any matter relating to this Agreement and shall not be liable for any action taken or omitted in good faith in accordance with the advice of such counsel.
10. **The Escrow Agent's Fees.** The Escrow Agent shall be entitled to compensation equal to \$2500 for its services hereunder. The Company and the Trust shall share equally the payment of such compensation and shall pay such amount on the Effective Date.
11. **Successors.** The obligations imposed and the rights and immunities conferred by this Agreement shall be binding upon and inure to the benefit of the Stockholders, the Trust, the Company, the Escrow Agent and their respective successors and assigns.
12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Alabama applicable to agreements made and to be performed entirely within such state, without regard to the conflicts of the law principles of such state.
13. **Entire Agreement.** This Agreement together with the Pledge Agreement, the Plan and the other Plan Documents related hereto contain the entire agreement and understanding among Stockholders, the Trust, the Company and Escrow Agent with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter.
14. **Amendment.** No amendment, modification or waiver in respect of this Agreement shall be effective unless it shall be in writing and signed by each of the Stockholders, the Trust, the Company and the Escrow Agent.
15. **No Strict Construction.** The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.
16. **Resignation of the Escrow Agent.** The Escrow Agent may resign and be discharged from its duties and obligations hereunder by giving notice in writing of such resignation to the Stockholders, the Trust and the Company specifying a date not less than forty-five (45) days after the date of the notice in writing when such resignation shall be effective. In the event of such resignation, a successor Escrow Agent shall be agreed upon between the Stockholders, the Trust and the Company and shall be a bank having trust powers. If the parties are unable to agree upon an acceptable Escrow Agent, then application shall be made to the Bankruptcy Court for the appointment of such successor. The Escrow Agent's resignation shall not be effective until such appointment is made, the Pledged Shares are delivered to the successor to the Escrow Agent, receipt for the Pledged Shares is obtained from such successor and copies thereof are delivered in accordance with Section 7 hereof to each Stockholder, the Trust and the Company, and such successor has accepted this Agreement.
17. **Counterparts.** This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

---

<sup>1</sup> Capitalized terms used herein without definition shall have the meanings ascribed to them in the Second Amended Glossary of Terms for the Plan Documents pursuant to the Second Amended Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code of Shook & Fletcher Insulation Co., as the same may be amended, modified or supplemented from time to time, and such definitions are incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the date first above written.

\_\_\_\_\_  
WAYNE W. KILLION, SR.

\_\_\_\_\_  
WAYNE W. KILLION, JR.

**SHOOK & FLETCHER ASBESTOS SETTLEMENT TRUST**

By: \_\_\_\_\_  
Name  
Title

**SHOOK & FLETCHER INSULATION CO.**

By: \_\_\_\_\_  
Name  
Title

**NATIONAL BANK OF COMMERCE**

By: \_\_\_\_\_  
Name  
Title

Exhibit A to the Escrow Agreement

National Bank of Commerce  
P.O. Box 10686  
Birmingham, AL 35202  
Attention: William C. Josey

Dear Sirs:

Reference is made to the Escrow Agreement, dated as of \_\_\_\_\_, 200\_ (the "**Escrow Agreement**"), by and among Shook & Fletcher Asbestos Settlement Trust (the "**Trust**"), Wayne W. Killion, Sr., ("**Mr. Killion**"), Wayne W. Killion, Jr., M.D. ("**Dr. Killion**" and, together with Mr. Killion, the "**Stockholders**"), Shook & Fletcher Insulation Co., a Delaware corporation (the "**Company**"), and National Bank of Commerce, as escrow agent (the "**Escrow Agent**"). Capitalized terms used but not defined herein shall have the meanings set forth in the Escrow Agreement.

Pursuant to Section 4.A. of the Escrow Agreement, the undersigned hereby delivers to you this certificate stating that an Event of Default has occurred and is continuing. You are accordingly hereby instructed to deliver to the Trust all of the Pledged Shares held by you together with the related forms of assignment.

The terms and conditions of the Escrow Agreement apply to this certificate.

**SHOOK & FLETCHER ASBESTOS SETTLEMENT TRUST**

By: \_\_\_\_\_  
Name  
Title

Exhibit B to the Escrow Agreement

National Bank of Commerce  
P.O. Box 10686  
Birmingham, AL 35202  
Attention: William C. Josey

Dear Sirs:

Reference is made to the Escrow Agreement, dated as of \_\_\_\_\_, 200\_ (the "**Escrow Agreement**"). by and among Shook & Fletcher Asbestos Settlement Trust (the "**Trust**"), Wayne W. Killion, Sr., ("**Mr. Killion**"), Wayne W. Killion, Jr., M.D. ("**Dr. Killion**" and, together with Mr. Killion, the "**Stockholders**"), Shook & Fletcher Insulation Co., a Delaware corporation (the "**Company**"), and National Bank of Commerce, as escrow agent (the "**Escrow Agent**"). Capitalized terms used but not defined herein shall have the meanings set forth in the Escrow Agreement.

Pursuant to Section 4.B. of the Escrow Agreement, the undersigned hereby delivers to you this certificate stating that **[all of the outstanding principal under the Promissory Note plus all accrued but unpaid interest thereon has been paid in full in accordance with the terms and provisions of the Promissory Note][the Promissory Note has been transferred by the Trust]**. You are accordingly hereby instructed to deliver all of the Pledged Shares of each Stockholder currently held by you to such Stockholder together with the related forms of assignment.

The terms and conditions of the Escrow Agreement apply to this certificate.

**SHOOK & FLETCHER INSULATION CO.**

By: \_\_\_\_\_  
Name  
Title

AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION

OF

SHOOK & FLETCHER INSULATION CO.

Shook & Fletcher Insulation Co., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows for purposes of amending and restating its Certificate of Incorporation:

1. The name of the corporation is Shook & Fletcher Insulation Co. (the "**Corporation**"). The Corporation was originally incorporated under the same name, and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on November 24, 1976.
2. Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware (the "**DGCL**"), this Amended and Restated Certificate of Incorporation (this "**Restated Certificate**") amends, integrates and restates the provisions of the Certificate of Incorporation of the Corporation. This Restated Certificate has been duly approved in accordance with the provisions of Sections 141 and 228 of the DGCL.
3. The text of the Certificate of Incorporation, as amended or supplemented, is hereby amended and restated to read in its entirety as follows:

**ARTICLE I**

The name of the Corporation is

SHOOK & FLETCHER INSULATION CO.

**ARTICLE II**

The address of its registered office in the State of Delaware is No. 100 West Tenth Street, in the City of Wilmington, County of New Castle, DE 19801. The name of its registered agent at such address is The Corporation Trust Company.

**ARTICLE III**

The purposes for which the Corporation is organized are to engage in any business and in any lawful act or activity for which corporations may be organized under the DGCL and to possess and employ all powers and privileges now or hereafter granted or available under the laws of the State of Delaware to such corporations.

**ARTICLE IV**

**A. Authorized Capital.** The total number of shares of capital stock which the Corporation has authority to issue is two hundred and eighty two thousand (282,000) shares, all of which shall be common stock, par value \$.0005 per share, and shall be issued in one class, designated as Class A ("**Common Stock**"). All shares of capital stock to be issued by the Corporation shall have voting rights, and if such capital stock is to be issued in classes or series, such voting rights shall be appropriately distributed, as determined by the Board of Directors of the Corporation (the "**Board**") in good faith, among such classes or series.

**B. Voting Rights.** Except as otherwise required by applicable law and the provisions of this Restated Certificate, the holders of Common Stock shall be entitled to one vote per share on all matters to be voted on by the Corporation's stockholders.

**C. Dividends.** As and when dividends are declared or paid on the Common Stock, whether in cash, property or securities of the Corporation, the holders of the Common Stock shall be entitled to participate in such dividends ratably on a per share basis.

**D. Liquidation.** The holders of the Common Stock shall be entitled to participate ratably on a per share basis on all amounts available to be distributed to the holders of the Common Stock in any liquidation or winding up of the Corporation.

**ARTICLE V**

The Corporation is to have perpetual existence.

retention of such other officer, employee, agent, or consultant of the Trust.

## GENERAL PROVISIONS

7.1 **Irrevocability.** The Trust is irrevocable.

7.2 **Termination.**

(a) The Trust shall automatically terminate on the date ninety (90) days after the first to occur of the following events:

(i) subject to Article 2.2(f), the Trustee in his or her discretion decides to terminate the Trust because (A) he or she deems it unlikely that new Asbestos Claims will be filed against the Trust, (B) all Present Asbestos Unsecured Claims and Other SBNP Claims payable under this Trust Agreement and the CRP have been paid, and (C) all CRP Valued Asbestos Claims duly filed with the Trust have been Allowed and paid to the extent provided in this Trust Agreement and the CRP or disallowed by a final, non-appealable order, to the extent possible based upon the funds available through the Plan, and twelve (12) consecutive months have elapsed during which no new Asbestos Claim has been filed with the Trust; or

(ii) if the Trustee has procured and has in place irrevocable insurance policies and has established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Trust in a manner consistent with this Trust Agreement and the CRP, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements and such order becomes a Final Order.

(b) On the Termination Date, after payment of all the Trust's liabilities and all Demands have been provided for and liquidation of all properties and other non-cash Trust Assets then held by the Trust, all monies remaining in the Trust estate shall be given to such organization(s) exempt from federal income tax under section 501(c)(3) of the IRC, which tax-exempt organization(s) shall be selected by the Trustee using his or her reasonable discretion; *provided, however*, that (i) if practicable, the tax-exempt organization(s) shall be related to the treatment of, research on, or the relief of suffering of individuals suffering from asbestos-related lung disorders, and (ii) the tax-exempt organization(s) shall not bear any relationship to Reorganized Shook & Fletcher within the meaning of section 468B(d)(3) of the IRC. Notwithstanding any other provision of the Plan Documents, this Article 7.2(b) cannot be modified or amended.

7.3 **Amendments.** The Trustee, after consultation with the Futures Representative and the TAC, and subject to the consent of each of the Futures Representative and the TAC to the extent provided elsewhere in this Trust Agreement, may modify or amend this Trust Agreement or any document annexed to it, including, without limitation, the Trust Bylaws or the CRP (*provided* the provisions of the CRP, if any, regarding any such modification are also followed). Any modification or amendment made pursuant to this Article 7.3 must be done in writing. Notwithstanding anything contained in this Trust Agreement to the contrary, neither this Trust Agreement, the Trust Bylaws, the CRP, nor any document annexed to the foregoing shall be modified or amended in any way that could jeopardize, impair, or modify the applicability of Section 524(g) of the Bankruptcy Code, the efficacy or enforceability of the Injunctions, the Trust's qualified settlement fund status under Section 468B of the IRC or the rights of Debtor or Reorganized Shook & Fletcher under the Plan Documents.

7.4 **Meetings.** The Futures Representative, the Trustee, or a TAC member shall be deemed to have attended a meeting in the event such person spends a substantial portion of the day conferring, by phone or in person, on Trust matters with the Futures Representative, the Trustee, or a TAC member as applicable. The Trustee shall have complete discretion to determine whether a meeting, as described herein, occurred for purposes of this Trust Agreement.

7.5 **Severability.** Should any provision in this Trust Agreement be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Trust Agreement.

7.6 **Notices.** Notices to Persons asserting Asbestos-Related Unsecured Claims shall be given at the address of such Person, or, where applicable, such Person's representative, in each case as provided on such person's claim form submitted to the Trust with respect to his or her or its Asbestos-Related Unsecured Claim or as otherwise provided to the Trust. Any notices or other communications required or permitted under this Trust Agreement shall be in writing and delivered personally or via reputable overnight courier service at the addresses designated below, or sent by telex, telecopy or facsimile pursuant to the instructions listed below, or mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows, or to such other address or addresses as may hereafter be furnished by any of the notice recipients, the Trustee, the Futures Representative, the TAC or Reorganized Shook & Fletcher, to the other notice recipients in compliance with the terms hereof.

To the Trust through the Trustee:

Shook & Fletcher Asbestos Settlement Trust  
c/o Harry Huge, Esq.  
Powell, Goldstein, Frazer & Murphy, LLP  
1001 Pennsylvania Avenue, N.W.

Washington, DC 20024  
Facsimile: 202-624-7222  
Telephone: 202-624-3932

To the TAC:

Bryan Blevins, Esq.  
Provost & Umphrey Law Firm, L.L.P.  
490 Park Street  
P.O. Box 4905  
Beaumont, TX 77704

David O. McCormick, Esq.  
Cumbest, Cumbest, Hunter & McCormick  
P.O. Drawer 1287  
707 Watts Avenue  
Pascagoula, MS 39568

Joseph F. Rice, Esq.  
Ness Motley, PA  
28 Bridgeside Boulevard  
P.O. Box 1792  
Mount Pleasant, SC 29464

To the Futures Representative:

R. Scott Williams, Esq.  
Haskell Slaughter Young & Rediker, L.L.C.  
1200 AmSouth/Harbert Plaza  
1901 Sixth Avenue North  
Birmingham, AL 35203  
Telephone: (205) 251-1000  
Facsimile: (205) 324-1133

With a copy to:

Robert M. Fishman, Esq.  
Shaw Gussis Fishman Glantz & Wolfson, L.L.C.  
1144 West Fulton Street, Suite 200  
Chicago, IL 60607  
Telephone: (312) 541-0151  
Facsimile: (312) 541-0155

To Debtor, Settlor or Reorganized Shook & Fletcher:

4625 Valleydale Road  
P.O. Box 380501  
Birmingham, AL 35238  
Attention: Wayne W. Killion, Jr.  
Facsimile: 205-991-7745  
Telephone: 205-991-7606

With a copy to:

Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, DC 20007  
Attn: Roger Frankel, Esq.  
Richard H. Wyron, Esq.  
Facsimile: 202-424-7645  
Telephone: 202-424-7500

All such notices and communications if delivered personally or via overnight courier or if mailed shall be effective when physically delivered at the designated addresses or, if electronically transmitted, when the communication is received at the designated addresses and confirmed by the recipient by return electronic transmission.

7.7 **Successors and Assigns.** The provisions of this Trust Agreement shall be binding upon and inure to the benefit of the Debtor, Reorganized Shook & Fletcher, the Trust, and the Trustee and their respective successors and assigns, except that neither the Debtor nor the Trust nor any Trustee may assign or otherwise transfer any of its, or his or her rights or obligations under this Trust Agreement except, in the case of the Trust and the Trustee, as contemplated by Article 2.1.

7.8 **Limitation on Claim Interests for Securities Laws Purposes.** Asbestos Claims and any interests therein (a) shall not be assigned, conveyed, hypothecated, pledged or otherwise transferred, voluntarily or involuntarily, directly or indirectly, except by will or under the laws of descent and distribution; (b) shall not be evidenced by a certificate or other instrument; (c) shall not possess any voting rights; and (d) shall not be entitled to receive any dividends or interest; *provided, however,* that the foregoing shall not apply to the holder of an Indirect Asbestos Claim that is subrogated to an Asbestos-Related Unsecured Claim as a result of its satisfaction of such Asbestos-Related Unsecured Claim.

7.9 **Entire Agreement: No Waiver.** The entire agreement of the parties relating to the subject matter of this Trust Agreement is contained herein and in the documents referred to herein, and this Trust Agreement and such documents supersede any prior oral or written agreements concerning the subject matter hereof. No failure to exercise or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of rights under law or in equity, except as otherwise provided in the Injunctions.

7.10 **Headings.** The headings used in this Trust Agreement are inserted for convenience only and neither constitute a portion of this Trust Agreement, nor in any manner affect the construction of the provisions of this Trust Agreement.

7.11 **Governing Law.** This Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without regard to Delaware conflict of laws principles.

7.12 **Dispute Resolution.** Any disputes that arise under this Trust Agreement or under the CRP or the Trust By-Laws shall be resolved by the Bankruptcy Court pursuant to the Plan, except as otherwise provided herein or in the CRP or the Trust By-Laws. Notwithstanding anything else herein contained, to the extent any provision of this Trust Agreement is inconsistent with any provision of the Plan, the Plan shall control.

7.13 **Enforcement and Administration.** The provisions of this Trust Agreement and the annexes hereto shall be enforced by the Bankruptcy Court pursuant to the Plan. The parties hereby further acknowledge and agree that the Bankruptcy Court shall have exclusive jurisdiction over the settlement of the accounts of the Trustee.

7.14 **Effectiveness.** This Trust Agreement shall not become effective until it has been approved by the Bankruptcy Court and executed and delivered by all the parties hereto.

7.15 **Counterpart Signatures.** This Trust Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Shook & Fletcher Asbestos Settlement Trust Agreement this day of \_\_\_\_\_, 200\_.

**SETTLER:**

**SHOOK & FLETCHER INSULATION CO.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TRUSTEE**

Name: Harry Huger

ARTICLE VI

In furtherance and not in limitation of the powers conferred by statute, the Board is expressly authorized to make, alter or repeal the by-laws of the Corporation (the "**By-laws**").

ARTICLE VII

Meetings of stockholders may be held within or without the State of Delaware, as the By-laws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board or in the By-laws. Elections of directors need not be by written ballot unless the By-laws shall so provide.

ARTICLE VIII

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE IX

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of the DGCL or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of the DGCL order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such a manner as the said court directs. If a majority in number representing three fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

ARTICLE X

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, as the same exists or hereafter may be amended, or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended DGCL. Any repeal or modification of this Article X by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE XI

**A. Indemnification in Actions Arising Out of Capacity as Officer, Director, Employee or Agent.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

**B. Indemnification in Actions by or in Right of Corporation.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the

EXHIBIT H TO THE PLAN

Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

C. **Indemnification When Successful on Merits or Otherwise.** To the extent that a present or former director or officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections A and B of this Article XI, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

In WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed this \_\_\_\_ day of \_\_\_\_\_, 200\_.

SHOOK & FLETCHER INSULATION CO.

By: \_\_\_\_\_

Name: Wayne W. Killion, Jr.

Title: President and Chief Executive Officer

Attest:

By: \_\_\_\_\_

Name:

Title:

COMPENSABLE DISEASE MATRIX<sup>1</sup>

Asbestos-Related Disease Category	Location of Exposure: <u>Mississippi or Alabama</u>	Location of Exposure: <u>Georgia, Louisiana or Texas</u>	Location of Exposure: Any location other than Mississippi, Alabama, <u>Georgia, Louisiana or Texas</u>
Mesothelioma	\$22,000.00	\$10,000.00	\$10,000.00
Lung Cancer	\$6,000.00	\$2,700.00	\$1,800.00
Other Cancer	\$2,500.00	\$1,500.00	\$1,000.00
Non-Malignant	\$1,700.00	\$1,200.00	\$1,000.00

## MEDICAL CRITERIA

*Mesothelioma*

In order for the holder of a CRP Valued Asbestos Claim to qualify for compensation as a “*Mesothelioma*” claim under the Compensable Disease Matrix, such holder of a CRP Valued Asbestos Claim must submit a report by a Board-Certified Pathologist stating that such holder has a diagnosis of a malignant Mesothelioma.

*Lung Cancer*

In order for the holder of a CRP Valued Asbestos Claim to qualify for compensation as a “Lung Cancer” claim under the Compensable Disease Matrix, such holder of a CRP Valued Asbestos Claim must submit (1) a report by a Qualified Physician establishing that such holder has a primary carcinoma of the lung *and* a statement from a Qualified Physician that the carcinoma in question is causally related to such holder’s asbestos exposure or (2) a report by a Certified B-reader showing that such holder has a Chest X-ray reading of 1/0 or higher on the ILO scale and/or bilateral pleural plaques or bilateral pleural thickening.

*Other Cancer*

In order for the holder of a CRP Valued Asbestos Claim to qualify for compensation as an “Other Cancer” claim under the Compensable Disease Matrix, such holder of a CRP Valued Asbestos Claim must submit (1) a report by a Board Certified Pathologist establishing that such holder has a primary colorectal, esophageal, laryngeal, pharyngeal or gastric carcinoma *and* a statement by a Qualified Physician that the carcinoma in question is causally related to such holder’s asbestos exposure or (2) a report by a Certified B-reader showing that the CRP Valued Asbestos Claimant has a Chest X-ray reading of 1/0 or higher on the ILO scale and/or bilateral pleural plaques or bilateral pleural thickening. No other asbestos-related cancer shall be compensable as an “Other Cancer” under the Compensable Disease Matrix.

*Non-Malignant*

In order for the holder of a CRP Valued Asbestos Claim to qualify for compensation as a “Non-Malignant” claim under the Compensable Disease Matrix, such holder of a CRP Valued Asbestos Claim must submit (1) a report by a Certified B-reader showing that such holder has a Chest X-ray reading of 1/0 or higher on the ILO scale and/or bilateral pleural plaques or bilateral pleural thickening, or such other competent evidence acceptable to the Trustee with medical evidence such as a diagnosis of an asbestos-related condition by a Qualified Physician, showing that such holder’s non-malignant condition is causally related to asbestos exposure, or (2) a statement by a Board-certified Pathologist that more than one representative section of lung tissue otherwise uninvolved with any other process (e.g., cancer, emphysema) demonstrates a pattern of peribronchiolar or perenchymal scarring in the presence of characteristic asbestos bodies, and also that there is no other more likely explanation for the presence of the fibrosis.

**FUTURES REPRESENTATIVE**

Name: R. Scott Williams

**TRUST ADVISORY COMMITTEE**

Name: Bryan Blevins

---

Name: David O. McCormick

---

Name: Joseph F. Rice

**SHOOK & FLETCHER ASBESTOS SETTLEMENT TRUST BY-LAWS<sup>2</sup>****ARTICLE 1  
OFFICES**

**SECTION 1. Principal Office.** The initial principal office of the Shook & Fletcher Asbestos Settlement Trust (the "Trust") shall be in \_\_\_\_\_ or at such other place as the Trustees shall from time to time select.

**SECTION 2. Other Offices.** The Trust may have such other offices at such other places as the Trustees may from time to time determine to be necessary for the efficient and cost-effective administration of the Trust.

**ARTICLE 2  
TRUSTEES**

**SECTION 1. Control of Property Business and Affairs.** The property, business and affairs of the trust shall be managed by or under the direction of the trustees, provided that certain decisions of the trustees shall be subject to the consent of the futures representative and the trust advisory committee, as provided in the trust agreement to which these by-laws are attached as *Annex B*.

**SECTION 2. Number, Resignation and Removal.** The number of Trustees and the provisions governing the resignation and removal of a Trustee and the appointment of a successor Trustee shall be governed by the provisions of Article 4 of the Trust Agreement.

**SECTION 3. Quorum and Manner of Acting.** A majority of the Trustees shall constitute a quorum for the transaction of business. In the absence of a quorum, the Trustees present may adjourn the meeting from time to time until a quorum shall be present. The vote, at a meeting at which a quorum is present, of a majority of the Trustees at such meeting shall be an act of the Trustees.

**SECTION 4. Regular Meetings of the Trustees.** Regular meetings of the Trustees may be held at such time and place as shall from time to time be determined by the Trustees. After there has been such determination, and a notice thereof has been once given to each Trustee, to each member of the TAC, and the Futures Representative, regular meetings may be held without further notice being given.

**SECTION 5. Regular Meetings with the Futures Representative and the TAC.** Regular meetings of the Trustees with the Futures Representative and the TAC may be held at such time and place as shall from time to time be determined by mutual agreement of the Trustees, the Futures Representative, and the TAC provided that the Trustees shall meet with the Futures Representative and the TAC at least twice per calendar year on a schedule announced as soon as practicable after the Effective Date. After there has been such determination, and a notice thereof has been once given to each Trustee, the Futures Representative and each member of the TAC, regular meetings may be held without further notice being given.

**SECTION 6. Special Meeting Notice.** Special meetings of the Trustees shall be held whenever called by one or more of the Trustees. Notice of each such meeting shall be delivered by overnight courier to each Trustee, the Futures Representative and to each member of the TAC, addressed to him or her at the place designated by him or her for receipt of such notice, or, failing such designation, at his or her residence or usual place of business, at least seven (7) days before the date on which the meeting is to be held, or shall be sent to him or her at such place by personal delivery or by electronic mail or telecopy not later than five (5) days before the day on which such meeting is to be held. Such notice shall state the place, date, and hour of the meeting and the purposes for which it is called. In lieu of the notice to be given as set forth above, a waiver thereof in writing, signed by the Trustee or Trustees or the Futures Representative or member or members of the TAC entitled to receive such notice, whether before or after the meeting, shall be deemed equivalent thereto for purposes of this Section 6. No notice or waiver by any Trustee, any member of the TAC or the Futures Representative with respect to any special meeting shall be required if such person shall be present at said meeting. The Futures Representative and the TAC shall be entitled to attend every special meeting of the Trustees.

**SECTION 7. Action Without a Meeting; Meeting by Conference Call.** Any action required or permitted to be taken at any meeting of the Trustees may be taken without a meeting if all Trustees, after notice to the Futures Representative and the TAC, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Trustees. The Trustees, the Futures Representative, and the TAC may take any action required or permitted to be taken at any meeting by means of conference telephone or similar communication equipment provided that all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this sentence shall constitute presence in person at such meeting.

### ARTICLE 3 OFFICERS

SECTION 1. Principal Officer. The principal officer of the Trust shall be the sole Trustee if there is only one Trustee; *provided* that if the number of Trustees is increased pursuant to the Trust Agreement, the principal officer of the Trust shall be determined by the Trustees in office after giving effect to such increase.

SECTION 2. Election and Term of Office. The principal officer of the Trust shall hold office until his or her successor shall have been duly chosen and qualified or until the earlier of his or her death, resignation, retirement, or removal.

SECTION 3. Other Officers. In addition to the principal officer described in Section 1 of this Article III, the Trust may have such other officers, agents, and employees as the Trustees may deem necessary for the efficient and cost-effective administration of the Trust, each of whom shall hold office for such period, have such authority, and perform such duties as the Trustees may from time to time determine. The Trustees may delegate to the principal officer the power to appoint and to remove any other officers, agents, or employees.

SECTION 4. Removal. Any officer (other than the principal officer at any time there is only one Trustee) may be removed with or without cause, at any time, by resolution adopted by the Trustees at any regular meeting of the Trustees or at any special meeting of the Trustees called for that purpose.

SECTION 5. Resignations. Any officer may resign at any time by giving written notice to the Trustees, the Futures Representative and the TAC. The resignation of any officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. Powers and Duties. The officers of the Trust shall have such powers and perform such duties as may be conferred upon or assigned to them by the Trustees.

### ARTICLE 4 TRUST ADVISORY COMMITTEE

SECTION 1. Regular meetings of the TAC. Regular meetings of the TAC may be held at such time and place as shall from time to time be determined by the TAC, provided the TAC shall meet as often as is necessary to respond promptly to matters referred to it for consultation or consent by the trustees. After a schedule for regular meetings has been determined, and a notice thereof has been once given to each TAC member, regular meetings may be held without further notice being given.

SECTION 2. Special Meetings; Notice. Special meetings of the TAC shall be held whenever called by one or more of the TAC members. Notice of each such meeting shall be delivered by overnight courier to each TAC member, addressed to him or her at his or her residence or usual place of business, at least seven (7) days before the date on which the meeting is to be held, or shall be sent to him or her at such place by personal delivery or by telephone or telecopy, not later than five (5) days before the date on which such meeting is to be held. Such notice shall state the place, date and hour of the meeting and the purposes for which it is called. In lieu of the notice to be given as set forth above, a waiver thereof in writing, signed by the TAC members entitled to receive such notice, whether before or after the meeting, shall be deemed equivalent thereto for purposes of this Section 2. No notice to or waiver by any TAC member with respect to any special meeting shall be required if such TAC member shall be present at such meeting.

SECTION 3. Action Without a Meeting; Meeting by Conference Call. Any action required or permitted to be taken at any meeting of the TAC may be taken without a meeting if all members of the TAC consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the TAC. The TAC also may take any action required or permitted to be taken at any meeting by means of conference telephone or similar communication equipment provided that all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

### ARTICLE 5 AMENDMENTS

The By-Laws of the Trust (other than Article 2, Article 3 Section 4 and this Article 5) may be amended by the Trustees at any meeting of the Trustees, *provided* that notice of the proposed amendment is contained in the notice of such meeting. Article 2, Article 3 Section 4, and Article 5 of these By-Laws may be amended by the Trustees only after receipt of the consent of the Futures Representative and the TAC to the proposed amendment.

THE ISSUANCE OF THIS NOTE WAS NOT REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") IN RELIANCE UPON APPLICABLE EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT. THIS NOTE MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT FILED UNDER THE 1933 ACT, OR UNTIL EVIDENCE SATISFACTORY TO THE MAKERS (AS DEFINED BELOW) IS SUPPLIED EVIDENCING THE FOLLOWING: REGISTRATION OF SUCH SALE. TRANSFER OR OTHER DISPOSITION IS NOT REQUIRED UNDER THE 1933 ACT BECAUSE THERE ARE AVAILABLE EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS APPLICABLE TO SUCH SALE. TRANSFER OR OTHER DISPOSITION, AND SUCH SALE, TRANSFER OR OTHER DISPOSITION WILL BE MADE IN STRICT COMPLIANCE WITH THE TERMS AND CONDITIONS OF SUCH EXEMPTIONS.

### PROMISSORY NOTE

\$3,000,000

**FOR VALUE RECEIVED, SHOOK & FLETCHER INSULATION CO.**, a Delaware corporation ("Insulation"), and **SHOOK & FLETCHER SUPPLY CO. OF ALABAMA, INC.**, a Delaware corporation ("Supply" and, together with Insulation, the "Makers"), hereby jointly and severally promise to pay to the order of **SHOOK & FLETCHER ASBESTOS SETTLEMENT TRUST**, a Delaware business trust (the "Holder"), the principal amount of THREE MILLION DOLLARS (\$3,000,000), with interest on the unpaid balance of such principal amount calculated as provided herein, on the dates and in the manner set forth in this Promissory Note (this "Note"). Payments of principal of and interest on this Note shall be made in lawful money of the United States of America as set forth herein. Certain capitalized terms used herein are defined in Section VIII of this Note.

#### Section I. Payments.

A. Scheduled Payments of Principal and Interest. Except as otherwise set forth herein, the Makers shall pay the outstanding principal amount of this Note and all accrued interest thereon to the Holder of this Note in forty (40) quarterly installments as follows: (i) on March 31, June 30, September 30 and December 31 of each year, beginning on \_\_, 20\_\_ and ending on \_\_, 20\_\_, twenty-four (24) equal quarterly installments of \$ \_\_\_\_\_<sup>1</sup> (or such lesser amount then outstanding) shall be made by the Makers and (ii) on March 31, June 30, September 30, and December 31 of each year, beginning on \_\_, 20\_\_ and ending on \_\_, 20\_\_ (the "Maturity Date"), sixteen (16) equal quarterly installments of \$ \_\_\_\_\_<sup>1</sup> (or such lesser amount then outstanding) shall be made by the Makers, in each case with each such payment to be applied to the payment of principal and interest in accordance with the amortization schedule attached to this Note as *Schedule 1* (as the same may be amended from time to time to give effect to any prepayment by the Makers). Any outstanding principal and interest under this Note that remains unpaid on the Maturity Date shall be due and payable on the Maturity Date.

B. Optional Prepayments. The Makers may at any time and from time to time prepay all or any portion of the principal amount then outstanding (and/or any interest thereon) without premium or penalty. Any such prepayment shall be applied first toward the unpaid principal amount of this Note.

Section II. Interest. Interest on the unpaid principal balance owing hereunder shall accrue (but shall not compound) on a daily basis, and shall continue until the date on which the outstanding principal amount (plus all unpaid interest accrued through such date) is paid in accordance herewith, as follows:

(i) during the period beginning on (and including) the date of this Note and continuing until (and including) the sixth anniversary of such date, interest shall accrue at the rate per annum equal to the sum of (a) the Prime Rate in effect on the Confirmation Date plus (b) 1.5%; and

(ii) during the period from and after (but excluding) the sixth anniversary of the date of this Note, interest shall accrue at the rate per annum equal to the sum of (a) the Prime Rate in effect on the Confirmation Date plus (b) 3%.

Section III. Security. This Note is secured pursuant to the terms of the Pledge Agreement and the Holder is entitled to all the benefits provided in the Pledge Agreement. Until such time as the Pledge Agreement is terminated (whether automatically in accordance with its terms or otherwise), Insulation shall not, without the prior written consent of the Holder, issue any of its capital stock, *provided however*, that such consent of the Holder shall not be required if the proceeds of such issuance are used to repay all

<sup>1</sup> This amount cannot be established until the interest rate is determined on the Confirmation Date and thus will be filled in once such interest rate is determined.

then outstanding principal under this Note (and any unpaid interest thereon accrued through the date of such repayment) concurrently with such issuance.

Section IV. **Events of Default.**

A. An “Event of Default” shall be deemed to have occurred if (i) the Makers fail to make any payment which they are obligated to make hereunder when such payment is due pursuant to the terms of this Note, and such failure continues for more than ten (10) days after the occurrence thereof; or (ii) the Pledge Agreement shall cease, for any reason, to be in full force and effect (other than pursuant to the terms thereof).

B. If an Event of Default has occurred and is continuing, the unpaid principal of, and all unpaid accrued interest on, this Note shall become immediately due and payable upon written demand of the Holder of this Note.

C. If an Event of Default has occurred and is continuing, the Holder of this Note shall also have such other rights which such Holder is entitled to under this Note, under any contract or agreement or pursuant to applicable law.

Section V. **Waiver of Presentment, Notice of Dishonor and Protest.** Presentment, notice of dishonor, and protest are waived by the Makers jointly and severally.

Section VI. **Forbearance Not a Waiver.** No delay or omission on the part of the Holder in exercising any rights under this Note or under the Pledge Agreement upon the occurrence and during the continuance of an Event of Default shall operate as a waiver of such right or of any other right under this Note or the Pledge Agreement, for the same or any other Event of Default, unless the Holder otherwise agrees in writing. The Makers consent to all extensions without notice for any period or periods of time and to the acceptance of partial payments before or after the Maturity Date, and to the acceptance, release, and substitution of security, all without prejudice to the Holder.

Section VII. **Restrictions on Transfer.** Notwithstanding anything herein to the contrary, the Holder shall not transfer this Note (other than to the Makers) without obtaining the prior written approval of the Makers. Any attempted transfer in violation of this Section VII shall be void and the Makers shall not recognize any such purported transfer.

Section VIII. **Definitions.**

“Bankruptcy Code” means Title 11 of the United States Code, 11 U.S.C. § 101, et. seq., as amended from time to time.

“Confirmation Date” means the date on which the order of the United States Bankruptcy Court for the Northern District of Alabama (or the United States District Court for the Northern District of Alabama (or unit thereof)) confirming the Plan pursuant to Section 1129 of the Bankruptcy Code is entered.

“Effective Date” means the effective date of the Plan determined in accordance with the Plan.

“Glossary” means the Second Amended Glossary of Terms for the Plan Documents Pursuant to the Second Amended Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code of Shook & Fletcher Insulation Co. attached as *Exhibit A* to the Plan, as the same may be amended, modified or supplemented from time to time.

“Plan” means that certain Second Amended Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code of Insulation, as such Plan may be amended, modified or supplemented from time to time.

“Pledge Agreement” means the pledge agreement by and among Wayne W. Killion, Sr., Wayne W. Killion, Jr. and the Holder to be executed under the Plan, as the same may be modified from time to time.

“Prime Rate” means the prime rate of interest reported by the Wall Street Journal.

Section IX. **Notices.** Any notice required or permitted by this Note must be (i) in writing and is deemed given when (a) delivered personally to the recipient, (b) sent by facsimile before 5:00 p.m. Birmingham, Alabama time on a business day with a copy of such facsimile sent to the recipient by reputable overnight courier service (charges prepaid) on the same day, (c) five (5) days after deposit in the U.S. mail, mailed by registered or certified mail, return receipt requested, postage prepaid, or (d) one business day after being sent to the recipient by reputable overnight courier service (charges prepaid); and (ii) addressed to the other parties at the address set forth below, or at such other address as the parties may designate from time to time in writing in accordance with this Section IX.

If to Insulation:

4625 Valleydale Road  
P.O. Box 380501  
Birmingham, AL 35238  
Attn: Wayne W. Killion, Jr.  
Facsimile: 205-991-7745  
Telephone: 205-991-7606

With a copy to:

Swidler Berlin Shereff Friedman, LLP  
3000 K Street, NW, Suite 300  
Washington, DC 20007  
Attn: Roger Frankel, Esq.  
Richard Wyrton, Esq.  
Facsimile: 202-424-7647  
Telephone: 202-424-7500

If to Supply:

1041 11<sup>th</sup> Court West  
Birmingham, AL 35204  
Facsimile: 205-252-5163  
Telephone: 205-252-5157

If to the Holder:

Shook & Fletcher Asbestos Settlement Trust  
c/o Harry Huge, Esq.  
Powell, Goldstein, Frazer & Murphy, LLP  
1001 Pennsylvania Avenue, N.W.  
Facsimile: 202-624-7222  
Telephone: 202-624-3932

Section X. **Business Days.** If any payment is due, or any time period for giving notice or taking action expires, on a day which is a Saturday, Sunday or legal holiday in the State of Alabama, the payment shall be due and payable on, and the time period shall automatically be extended to, the next business day immediately following such Saturday, Sunday or legal holiday, and interest shall continue to accrue at the required rate hereunder until any such payment is made.

Section XI. **Cancellation.** Upon payment of all outstanding principal under this Note (and all unpaid interest accrued through the date of such payment), this Note shall be surrendered to the Makers for cancellation and shall not be reissued.

Section XII. **Place of Payment.** Payments of principal and interest shall be delivered to the Holder at the following address:

Shook & Fletcher Asbestos Settlement Trust  
c/o Harry Huge, Esq.  
Powell, Goldstein, Frazer & Murphy, LLP  
1001 Pennsylvania Avenue, N.W.  
Facsimile: 202-624-7222  
Telephone: 202-624-3932

or to such other address or to the attention of such other person as specified by prior written notice to the Makers.